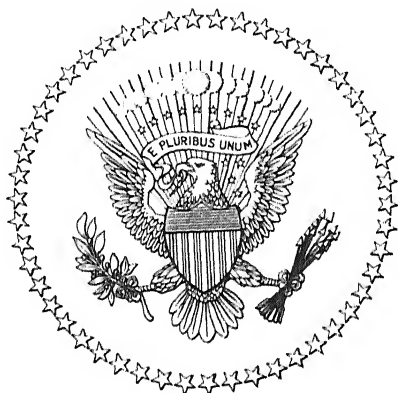


PUBLIC PAPERS OF THE PRESIDENTS
OF THE
UNITED STATES

PUBLIC PAPERS OF THE PRESIDENTS
OF THE
UNITED STATES

Ronald Reagan



1987

(IN TWO BOOKS)

BOOK I—JANUARY 1 TO JULY 3, 1987



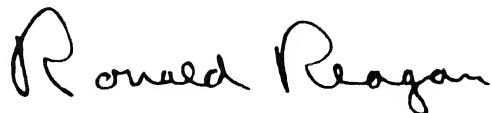
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Foreword

The year 1987 was a year of conversations that led to remarkable conclusions. The United States and its allies met for an economic summit in Venice and agreed that the future of economic freedom lies in trade that is both open and fair. To that end, we completed negotiations with our neighbor Canada on a breathtaking venture into international free trade.

We renewed our longstanding commitment to excellence in our schools and the promotion of the peerless Western values that we must transmit to our children if our society is to prosper and grow. Our efforts to give our children a better future contributed to a new atmosphere in this nation—an attitude toward the use of illegal drugs that was summed up in three simple but powerful words: “just say no.” In this assertion of public morality, we may have seen the most important development of the year.

A handwritten signature in black ink that reads "Ronald Reagan". The signature is written in a cursive style, with the first letter of each word being capitalized and larger than the others. The ink is dark and the background is white.

Preface

This book contains the papers and speeches of the 40th President of the United States that were issued by the Office of the Press Secretary during the period January 1–July 3, 1987. The material has been compiled and published by the Office of the Federal Register, National Archives and Records Administration.

The material is presented in chronological order, and the dates shown in the headings are the dates of the documents or events. In instances when the release date differs from the date of the document itself, that fact is shown in the textnote. Every effort has been made to ensure accuracy: Remarks are checked against a tape recording, and signed documents are checked against the original. Textnotes, footnotes, and cross references have been provided by the editors for purposes of identification or clarity. Speeches were delivered in Washington, DC, unless indicated. The times noted are local times. All materials that are printed full-text in the book have been indexed in the subject and name indexes, and listed in the document categories list.

The Public Papers series was begun in 1957 in response to a recommendation of the National Historical Publications Commission. An extensive compilation of messages and papers of the Presidents covering the period 1789 to 1897 was assembled by James D. Richardson and published under congressional authority between 1896 and 1899. Since then, various private compilations have been issued, but there was no uniform publication comparable to the Congressional Record or the United States Supreme Court Reports. Many Presidential papers could be found only in the form of mimeographed White House releases or as reported in the press. The Commission therefore recommended the establishment of an official series in which Presidential writings, addresses, and remarks of a public nature could be made available.

The Commission's recommendation was incorporated in regulations of the Administrative Committee of the Federal Register, issued under section 6 of the Federal Register Act (44 U.S.C. 1506), which may be found in title 1, part 10, of the Code of Federal Regulations.

A companion publication to the Public Papers series, the Weekly Compilation of Presidential Documents, was begun in 1965 to provide a broader range of Presidential materials on a more timely basis to meet the needs of the contemporary reader. Beginning with the administration of Jimmy Carter, the Public Papers series expanded its coverage to include all material as printed in the Weekly Compilation. That coverage provides a listing of the President's daily schedule and meetings, when announced, and other items of general interest issued by the Office of the Press Secretary. Also included are lists of the President's nominations submitted to the Senate, materials released by the Office of the Press Secretary that are not printed full-text in the book, and acts approved by the President. This information appears in the appendixes at the end of the book.

Volumes covering the administrations of Presidents Hoover, Truman, Eisenhower, Kennedy, Johnson, Nixon, Ford, and Carter are also available.

The Chief Editor of this book was William King Banks, assisted by Gary L. Posselt and E.B. Swidal.

White House liaison was provided by Marlin Fitzwater, Assistant to the President for Press Relations. The frontispiece and photographs used in the portfolio were supplied by the White House Photo Office.

Martha L. Girard
Acting Director of the Federal Register

Don W. Wilson
Archivist of the United States

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Administration of Ronald Reagan

1987

Memorandum on the Generalized System of Preferences

January 2, 1987

Memorandum for the United States Trade Representative

Subject: Actions Concerning the Generalized System of Preferences

Pursuant to sections 502(b)(8) and 504 of the Trade Act of 1974, as amended (the Act) (19 U.S.C. 2462(b)(8) and 2464), I am hereby acting to modify the application of duty-free treatment under the Generalized System of Preferences (GSP) currently being afforded to certain beneficiary developing countries, and to make findings concerning steps by certain beneficiary developing countries to afford internationally recognized worker rights to workers in such countries.

Specifically, I have determined, under the provisions of section 504(c)(2) of the Act and after taking into account the factors listed in sections 501 and 502(c) of the Act (19 U.S.C. 2461 and 2462(c)), that certain beneficiary developing countries have demonstrated a sufficient degree of competitiveness (relative to other beneficiary developing countries) with respect to particular eligible articles that section 504(c)(2)(B) should apply to such articles. Such countries are enumerated in Annex A opposite the Tariff Schedules of the United States (TSUS) items applicable to each article.

Second, under the terms of section 504(c)(3) of the Act, I am hereby waiving the application of section 504(c) with respect to particular eligible articles from specified beneficiary developing countries. I have received the advice of the United States International Trade Commission as to any industries in the United States which would likely be adversely affected by such waivers, and I have determined, based on that advice and on the considerations described in sections 501 and 502(c) of the

Act, that such waivers are in the national economic interest of the United States. The countries to be afforded such waivers for particular eligible articles are enumerated in Annex B opposite the TSUS items applicable to each article.

Finally, after considering various private sector requests for review concerning worker rights in certain beneficiary developing countries, and in accordance with section 502(b)(8) of the Act, I have determined that the following beneficiary developing countries have taken or are taking steps to afford internationally recognized worker rights (as defined in section 502(a)(4) of the Act): Guatemala, Haiti, the Republic of Korea, the Philippines, Suriname, Taiwan, and Zaire. However, I have determined that Romania, Paraguay, and Nicaragua, previously designated as beneficiary developing countries, are not taking steps to afford such internationally recognized worker rights. Therefore, I intend to notify the Congress of the United States of my intention to remove Romania and Nicaragua from the list of designated beneficiary developing countries for purposes of the GSP, and to suspend the GSP eligibility of Paraguay. Finally, I am continuing to review the status of such worker rights in another beneficiary developing country, Chile.

These determinations shall be published in the *Federal Register*.

RONALD REAGAN

[Filed with the Office of the Federal Register, 3:27 p.m., January 2, 1987]

Note: The memorandum and annexes were printed in the "Federal Register" of January 6.

Letter to the Speaker of the House of Representatives and the President of the Senate on the Generalized System of Preferences January 2, 1987

Dear Mr. Speaker: (Dear Mr. President:)

I am writing to inform you of my intent to withdraw Romania and Nicaragua and suspend Paraguay from the list of beneficiary developing countries under the Generalized System of Preferences (GSP) effective 60 days after the date of this letter. This action is being taken in accordance with Title V of the Trade Act of 1974 (the Act), as amended.

Sections 502(b) and 504(b) of the Act require that the President withdraw or suspend from the list of GSP eligible countries any country that he has determined is not taking steps to afford its workers interna-

tionally recognized worker rights. After careful review, I have determined that Romania, Nicaragua, and Paraguay are not taking steps to afford their workers internationally recognized worker rights.

This notice is being provided pursuant to section 502(a)(2) of the Act.

Sincerely,

RONALD REAGAN

Note: Identical letters were sent to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and George Bush, President of the Senate.

Radio Address to the Nation on the Fiscal Year 1988 Budget January 3, 1987

My fellow Americans:

Now that the new year is here and the holidays are just about over, Nancy and I, like you, are getting ready to return to work; and for me that means that in just a few days I'll be sending Congress my proposal for next year's Federal budget. You know, when you look at a budget, all you see are long rows of numbers. They go on for pages, and they're not very exciting. But those numbers always add up to something, and it's not just a surplus or a deficit. No, it's also a plan, a hope, a vision of what America is and of where America is going.

Six years ago we began our country on the path to greater growth and opportunity. We said it was time to put the days of tax and spend in the past and trust less in government and more in America's families, communities, and values. Some called the values we talked about radical and even revolutionary. Well, you know, I had to smile when they called it the Reagan revolution, because, yes, those values may have been revolutionary, but they were from a revolution much older than me—the revo-

lution that started with the Declaration of Independence and the Constitution, the revolution continued by every American who ever plowed the land or worked in a factory, an office, or a store, or built a business or stayed home and built a family.

Those have been the values that shaped this budget as well. What are they? Well, one is that government shouldn't tax away a man or woman's incentives to work, save, and invest, and that taxes should begin only after a family has earned enough to live on. That's why this is a "no-tax-increase" budget. Last year America pushed aside the special interests and passed a tax reform bill that was pro-savings, pro-investment, pro-family. By next year, as a result of tax reform, the top tax rate will be 28 percent; the standard deduction and personal exemptions for your family will have gone up by 60 percent; and most families will pay a rate of no more than 15 percent. But now some in Congress are saying they'd like to take part of this away, even before it goes into effect. They'd rather raise your taxes than cut their spending. Well, not if I have

anything to say about it.

This budget cuts spending and leaves your family's paycheck alone, and that's another important value. Like your family, the Federal Government should live within its means. This year we're taking an historic step toward that goal, because the Federal Government is doing less real spending than last year, something that hasn't happened since 1973. That's right—not in almost 14 years. And with the coming year's budget, we plan to make it 2 years in a row. By the way, Congress wouldn't have achieved these spending cuts without the discipline of the Gramm-Rudman law. That's why those who say do away with Gramm-Rudman are just plain wrong. Gramm-Rudman has begun to put the monster of big spending into a cage, and we won't let that monster out.

The budget I'm proposing will meet the Gramm-Rudman target. It will bring the Federal deficit within the range of our normal peacetime experience, and it will do this without shortchanging important commitments. We will spend more than ever for America's elderly, for law and drug enforcement, for AIDS research, for health care, and for air traffic safety. And in one vital area, defense, we'll be stopping a dangerous slide. For the last 2 years defense spending, after inflation, has dropped, even while our adversaries spent more. To let this decline continue would endanger every family in America and world peace as well.

With this budget, we'll give defense a modest but important boost, the minimum I believe is necessary to ensure America's peace and security. But while we'll be spending more in many areas, we'll also be looking at the invoices more carefully than ever. In defense, in health care, and many areas, we've asked: Are we getting what we think we're paying for? And where the answer is no, we plan to make changes, and those changes are reflected in this budget.

All of this will require the help of Congress. That's why I was disappointed to hear that the new Democratic leadership had declared that their first priority is to pass the budget-busting clean water bill that I vetoed last year. Well, now, I'm in favor of clean water, but the only thing clean in this bill is its name. It spends billions more than is needed. If the Democratic leadership decides to push this bill, they'll be sending a clear signal that they've sided with those who want to raise your taxes and take the lid off spending. I am willing to work with congressional leaders for a reasonable bill. But I have a special message to the new Congress: You can't have it both ways. You cannot decry deficits and then pass budget-busting legislation. The American people expect us to work together to eliminate the deficit. I remain ready to do so.

Until next week, thanks for listening, and God bless you.

Note: The President spoke at 12:06 p.m. from the Oval Office at the White House.

Message to the Speaker of the House of Representatives and the President of the Senate Transmitting the Fiscal Year 1988 Budget *January 5, 1987*

To the Speaker of the House of Representatives and the President of the Senate:

The current economic expansion, now in its 50th month, is already one of the longest of the postwar era and shows promise of continuing to record length. This has not been due simply to chance—it is the result of successful policies adopted during the past 6 years. Disposable personal income is

at an all-time high and is still rising; total production and living standards are both increasing; employment gains have been excellent. Inflation, which raged at double-digit rates in 1980, has been reduced dramatically. Defense capabilities, which had been dangerously weakened during the 1970's, have been substantially rebuilt, restoring a more adequate level of national

security. An insupportable growth in tax burdens and Federal regulations has been halted, an intolerably complex and inequitable income tax structure has been radically reformed, and the largest management improvement program ever attempted is in full swing in all major Federal agencies. It has been a good 6 years.

Now in its 5th year, the current expansion already has exceeded 5 of the 7 previous postwar expansions in duration, and leading economic indicators point to continued growth ahead. Our policies have worked. Let me mention a few highlights of the current economic expansion:

- In the past 4 years 12.4 million new jobs have been created, while the total unemployment rate has fallen by 3.7 percentage points. By comparison, jobs in other developed countries have not grown significantly, and unemployment rates have remained high.

- Inflation, which averaged 10.3 percent a year during the 4 years before I came to office, has averaged less than a third of that during the last 4 years—3.0 percent; inflation in 1986, at about 1 percent, was at its lowest rate in over two decades.

- The prime rate of interest, and other key interest rates, are less than half what they were in 1981.

- Between 1981 and 1986, numerous changes in the tax code, including a complete overhaul last year, have simplified reporting, made the tax law more equitable, and significantly lowered tax rates for individuals and corporations. Six million low-income taxpayers are being removed from the income tax rolls. The inhibitive effect of our tax code on individual initiative has been reduced dramatically. Real after-tax personal income has risen 15 percent

during the last 4 years, increasing our overall standard of living.

- Our defense capabilities have been strengthened with modernized equipment and successful recruiting and retention of higher caliber personnel; the readiness, training, and morale of our troops has been improved.

- After years of unsustainably rapid growth, Federal spending for domestic programs other than entitlements has been held essentially flat over the last 4 years.

- Since 1981, the amount of time spent by the public filling out forms required by the Federal Government has been cut by over 600 million hours, and the number of pages published annually in the *Federal Register* has been reduced by over 45 percent.

- Our continuing fight against waste, fraud, and abuse in Government programs has paid off, as the President's Council on Integrity and Efficiency has saved \$84 billion in funds that have been put to more efficient use.

- Finally, Federal agencies have instituted the largest management improvement program ever attempted to bring a more business-like approach to Government.

The dramatic improvement in the performance of our economy stemmed from steadfast adherence to the four fundamental principles of the economic program I presented in February 1981:

- limiting the growth of Federal spending;

- reducing tax burdens;

- relieving the economy of excessive regulation and paperwork; and

- supporting a sound and stable monetary policy.

BUDGET SUMMARY

[In billions of dollars]

	1986	1987	1988	1989	1990	1991	1992
Receipts.....	769.1	842.4	916.6	976.2	1,048.3	1,123.2	1,191.2
Outlays.....	989.8	1,015.6	1,024.3	1,069.0	1,107.8	1,144.4	1,178.9
Surplus or deficit (—).....	—220.7	—173.2	—107.8	—92.8	—59.5	—21.3	12.3

BUDGET SUMMARY—Continued

[In billions of dollars]

	1986	1987	1988	1989	1990	1991	1992
Gramm-Rudman-Hollings deficit targets.....	-171.9	-144.0	-108.0	-72.0	-36.0	0.0	0.0
Difference	48.8	29.2	-0.2	20.8	23.5	21.3	-12.3

Note.—Totals include social security, which is off-budget.

Need for Deficit Reduction

The foundation has been laid for a sustained era of national prosperity. But a major threat to our future prosperity remains: the Federal deficit. If this deficit is not brought under control by limiting Government spending, we put in jeopardy all we have achieved. Deficits brought on by continued high spending threaten the lower tax rates incorporated in tax reform and inhibit progress in our balance of trade.

We cannot permit this to happen. Therefore, one of the major objectives of this budget is to assure a steady reduction in the deficit until a balanced budget is reached.

This budget meets the \$108 billion deficit target for 1988 set out in the Balanced Budget and Emergency Deficit Control Act, commonly known for its principal sponsors as Gramm-Rudman-Hollings. Gramm-Rudman-Hollings committed both the President and Congress to a fixed schedule of progress toward reducing the deficit. In submitting this budget, I am keeping my part of the bargain—and on schedule. I ask Congress to do the same. If the deficit reduction goals were to be abandoned, we could see unparalleled spending growth that this Nation cannot afford.

This budget shows that eliminating the deficit over time is possible *without* raising taxes, *without* sacrificing our defense preparedness, and *without* cutting into legitimate programs for the poor and the elderly, while at the same time providing needed additional resources for other high priority programs.

Deficit Reduction in 1988

Although the deficit has equalled or exceeded 5 percent of the gross national prod-

uct (GNP) in each of the past 4 years, each year I have proposed a path to lower deficits—involving primarily the curtailment of unnecessary domestic spending. Congress, however, has rejected most of these proposals; hence, our progress toward reducing the deficit has been much more modest than it could have been.

This year there appears to be a major turn for the better. The 1987 deficit is estimated to be about \$48 billion less than in 1986 and should decline to less than 4 percent of GNP. As the economy expands, Federal receipts will rise faster than the increase in outlays Congress enacted for the year.

However, there is no firm guarantee that progress toward a steadily smaller deficit and eventual budget balance will continue. On a current services basis the deficit will continue to decline over the next 5 years, but this decline is gradual and vulnerable to potential fiscally irresponsible congressional action on a multitude of spending programs. It is also threatened by the possibility of a less robust economic performance than is projected, for that projection is based on the assumption that the necessary spending cuts will be made.

This 1988 budget can deal the deficit a crucial blow. If the proposals in this budget are adopted and if the economy performs according to the budget assumptions for growth and inflation, then for the second consecutive year the deficit should shrink substantially, by \$65 billion, and thus decline to less than 2½ percent of GNP. Reducing the deficit this far would bring it within the range of our previous peacetime experience and bring our goal of a balanced budget much closer to realization.

Moreover, if Congress adopts the proposals contained in this budget, it will ensure additional deficit reductions in future years, because in many cases the savings from a given action, although small in 1988, would mount in later years. Given the good start made in 1987, Congress has an opportunity this year—by enacting this budget—to put the worst of the deficit problem behind us.

Adopting the spending reductions and other reforms proposed in this budget would reduce the Federal deficit an average \$54 billion annually for the next 3 years. This represents \$220 each year for every individual American and about \$600 for every household. I believe this is the appropriate way to deal with the deficit: cutting excessive Federal spending rather than attacking the family budget by increasing taxes, weakening our national security, breaking faith with the poor and the elderly, or ignoring the requirements for additional resources for other high priority programs.

A More Competitive, Productive America

The task of deficit reduction is a formidable one—but it can and should be achieved with serious attention to the effects on America's economy, businesses, State and local governments, social organizations, and individual citizens. Reducing the deficit will reduce the burden the Federal Government places on private credit markets. The specific deficit reduction measures proposed in this budget would also help make our economy more competitive—and more productive. These objectives have been major considerations in the formulation of this budget.

High priority programs must be funded adequately. Despite the very tight overall fiscal environment, this budget provides adequate funds for maintaining and, in selected cases, expanding high priority programs in key areas of national interest. For example:

- essential services and income support for the aged and needy are expanded;
- the prevention, treatment, and research efforts begun in my 1987 drug abuse initiative are continued, while resources devoted to drug law enforcement have tripled since my administration began;

- the budget allocates \$85 million to more intensive health care for those with the highest incidence of infant mortality;

- over half a billion dollars is provided for AIDS research and education in 1988—a 28 percent increase above the 1987 level and more than double our 1986 effort (an additional \$100 million is provided for AIDS treatment and blood screening by the Veterans Administration and the Department of Defense);

- building upon the Nation's preeminence in basic biomedical research, the budget seeks funding for the full multiyear costs of biomedical research grants made by the National Institutes of Health;

- a \$200 million increase over the 1987 level is proposed for compensatory education for educationally disadvantaged children;

- current ineffective programs intended to assist dislocated workers are replaced by an expanded billion-dollar program carefully designed to help those displaced from their jobs move quickly into new careers;

- a 68 percent increase in funding is provided to permit the Federal Aviation Administration to modernize the Nation's air traffic control system; this includes the procurement of doppler radars capable of detecting severe downdrafts that imperil landings and takeoffs at airports where this is a hazard;

- for 1988, \$400 million is provided to carry out newly enacted immigration reform legislation;

- substantial increases in funding for clean coal technology demonstrations, as well as research on acid rain formation and environmental effects, are provided to address the acid rain problem; and

- a new civil space technology initiative, together with previously planned increases to construct a space station, develop a national aerospace plane, and foster the commercial development of space, are provided in this budget.

Restoring our national security also has been one of my highest priorities over the past 6 years due to the serious weakness arising from severe underfunding during the middle and late 1970's. Nonetheless, defense and international programs have not

escaped the effects of fiscal stringency. The defense budget actually has declined in real terms in each of the past 2 years. This trend cannot be allowed to continue. I am proposing in this budget a 3 percent real increase over last year's appropriated level. This request—some \$8 billion less than last year's—is the minimum level consistent with maintaining an adequate defense of our Nation.

Likewise, my request for our international affairs programs is also crucial to our effort to maintain our national security. I urge Congress not to repeat last year's damaging cuts, but rather to fund these programs fully.

The incentive structure for other Federal programs should be changed to promote efficiency and competitiveness. One of the problems with many Federal programs is that they provide payments without encouraging performance or efficiency. They are perceived to be "free" and, therefore, there is potentially unlimited demand. This has to be changed—and this budget proposes creating needed incentives in critical areas.

Our farm price support programs, under the Food Security Act of 1985, are proving much too costly—half again as costly as estimated when the bill was enacted just one year ago. The \$25 billion being spent on farm subsidies in 1987 is 14 percent of our total Federal deficit and equivalent to taking \$415 of each nonfarm family's taxes to support farmers' incomes—over and above the amount that price supports add to their grocery bills. Some of the provisions of the Act encourage farmers to overproduce just to receive Federal benefits. Other provisions give the greatest benefits to our largest and most efficient agricultural producers instead of to those family farmers most in need of help. My administration will propose amendments to the Food Security Act to focus its benefits on the full-time family farmer by placing effective limitations on the amount paid to large producers and removing the incentive for farmers to overproduce solely to receive Federal payments.

Reform of the medicare physician payment system is also proposed. Under the proposals, medicare would pay for radiology, anesthesiology, and pathology (RAP)

services based on average area costs instead of inflationary fee-for-service reimbursements. The current fee-for-service payment distorts incentives and induces inappropriate billing for unneeded services. This initiative would remove the distortions caused by medicare's current reimbursement rules, eliminating a key barrier preventing the restoration of traditional arrangements between RAP physicians and hospital staffs.

The budget proposes continued increases in federally supported basic research that will lead to longer term improvements in the Nation's productivity and global competitiveness. For example, the budget projects a doubling within 5 years of the National Science Foundation's support for academic research. I also propose to increase support for training future scientists and engineers, and to foster greater technology transfer from Government to industry.

Another way of attaching a "value" to Government-provided services—and an incentive to use them only as needed—is to charge user fees where appropriate. Those who receive special Federal services—not the general taxpayer—should bear a greater share of the costs of those services. Accordingly, this budget imposes fees for Federal lending activities, for meat and poultry inspection, for National park and forest facilities, for Coast Guard services, for Customs inspections, and for many other services.

The Government should stop competing with the private sector. The Federal Government interferes with the productivity of the private sector in many ways. One is through borrowing from the credit markets to finance programs that are no longer needed—as in the case of the rural housing insurance fund, direct student financial assistance, urban mass transit discretionary grants, vocational education grants, the Federal Crop Insurance Corporation fund, sewage plant construction grants, justice assistance grants, the Legal Services Corporation, and rural electrification loans. I am proposing in this budget that we terminate these programs and rely instead on private or State and local government provision of these services.

The budget also proposes that a number

of programs that have real utility be transferred back to the private sector, through public offerings or outright sales. Following our successful effort to authorize sale of Conrail, I am now proposing the sale of the Naval Petroleum Reserves, AMTRAK, the Alaska Power Administration, the helium program, and excess real property. In addition, I am proposing legislation to authorize study of a possible divestiture of the Southeastern Power Administration. These "privatization" efforts continue to be a high priority of my administration and, I believe, will result in increased productivity and lower total costs of providing these services. The Federal Government needs to provide essential services that are truly public in nature and national in scope. It has no business providing services to individuals that private markets or their State or local governments can provide just as well or better.

The Federal Government should depend more on the private sector to provide ancillary and support services for activities that remain in Federal hands. The budget proposes that the work associated with over 40,000 Federal positions be contracted out to the private sector as yet another way to increase productivity, reduce costs, and improve services.

Federal credit programs should operate through the private markets and reveal their true costs. The Federal Government provides credit for housing, agriculture, small business, education, and many other purposes. Currently, over a trillion dollars of Federal or federally assisted loans are outstanding. Including lending of Government-sponsored enterprises, federally assisted lending amounted to 14 percent of all lending in U.S. credit markets in 1985.

Under current treatment, loan guarantees appear to be "free"; they do not affect the budget until and unless borrowers default. Direct loans are counted as outlays when they are made, but as "negative outlays" when they are repaid; thus, direct loans seem "free" too, inasmuch as it is presumed they will be repaid. But neither direct loans nor loan guarantees are free. Besides the better terms and conditions a borrower gets from the Government, there is the matter of default. When a borrower does not repay a direct loan, the negative outlay does not

occur, and this is a subsidy implicit in the original loan transaction. When a borrower defaults on a guaranteed loan, the Government has to make good on repayment—also a program subsidy.

Since these effects are poorly understood and lead to grave inefficiencies in our credit programs, we will ask Congress to enact legislation whereby the true cost to the economy of Federal credit programs would be counted in the budget. By selling a substantial portion of newly made loans to the private sector and reinsuring some newly made guarantees, the implicit subsidy in the current practice will become explicit. This reform will revolutionize the way Federal credit activities are conducted.

The private sector will also be increasingly involved in the management of our huge portfolio of outstanding loans and loan guarantees. Delinquent Federal borrowers will be reported to private credit bureaus, and private loan collection agencies will be used to help in our collection efforts. The Internal Revenue Service (IRS) will expand its "offsetting" of refunds to pay off delinquent Federal debts, and Federal employees who have not paid back Federal loans will have their wages garnished.

Increased role for State and local governments. Over the past 6 years I have sought to return various Federal services to State and local governments—which are in a much better position to respond effectively to the needs of the recipients of these services. To me, this is a question of reorganizing responsibilities within our Federal system in a manner that will result in more productive delivery of the services that we all agree should be provided. Thus, this budget phases out inappropriate Federal Government involvement in local law enforcement, sewage treatment, public schools, and community and regional development. Transportation programs will be consolidated or States will be given greater flexibility in the use of Federal funds for highways, mass transit, and airports.

Federal regulations must be reduced even further to improve productivity. My administration will continue the deregulation and regulatory relief efforts that were begun in 1981. The Task Force on Regulatory Relief,

headed by the Vice President, has been reinstated. In the past, excessive Federal regulations and related paperwork have stifled American productivity and individual freedom. We must continue our efforts to streamline the regulatory process and to strike the proper balance between necessary regulation and associated paperwork on the one hand, and the costs of these requirements on the other.

Federal activities should be better managed. The American people deserve the best managed Federal Government possible. Last year, I initiated the Federal Government Productivity Program, with the goal of improving productivity in selected areas by 20 percent by 1992. A substantial portion of total direct Federal employment falls within the program, including such activities as the Department of Agriculture meat and poultry inspection, Navy aircraft maintenance and repair, social security claims processing, National Park maintenance, operation of Federal prisons, and IRS processing of tax returns.

Credit reform, privatization, productivity improvement, and other proposals will be described in more detail in the *Management Report* to be issued this month. It will also identify further measures to reduce waste, fraud, and abuse; to improve management of the Government's \$1.7 trillion cashflow; to institute compatible financial management systems across all Federal agencies; and other initiatives to improve the management of Government operations. These ambitious management reform undertakings, called "Reform '88," constitute the largest management reform effort ever attempted.

The budget also proposes a new approach to paying Federal employees who increase their productivity. I ask that Congress approve a new plan to transform the current system of virtually automatic "within-grade" salary increases for the roughly 40 percent of employees eligible each year for these 3 percent hidden pay raises to one that is "performance-oriented". This will give Federal employees stronger incentives to improve service delivery.

I include with this budget my recommendations for increases in executive level pay for the executive, legislative, and judicial

branches of the Federal Government. The Quadrennial Commission report submitted to me on December 15, 1986 documented both the substantial erosion in the real level of Federal executive pay that has occurred since 1969 and the recruitment and retention problems that have resulted, especially for the Federal judiciary. The Commission is to be commended for its diligent and conscientious effort to address the complicated and complex problems associated with Federal pay levels.

Every one of the Quadrennial Commissions that have met over the past 18 years has recognized that a pay increase for key Federal officials was necessary. Each Commission concluded that pay for senior Government officials fell far behind that of their counterparts in the private sector. They also understood that we cannot afford a Government composed primarily of those who are wealthy enough to serve. Unfortunately, the last major Quadrennial Commission pay adjustment was in 1977—a decade ago.

However, I recognize that we are under mandated efforts to reduce the Federal deficit and hold down the costs of Government to the absolute minimum level. In this environment, I do not believe it would be appropriate to implement fully the Quadrennial Commission recommendations.

Accordingly, I have decided to propose a pay increase, but have cut substantially the recommendations made by the Quadrennial Commissioners in their report to me last month. Moreover, I have decided to establish a Career Manager Pay Commission to review and report to me by next August on appropriate pay scales for our elite corps of career Government managers. The pay increases I am proposing to Congress, plus the results of this new Commission, should place Government compensation on a fairer and more comparable footing.

Peace Through Strength

I have become convinced that the only way we can bring our adversaries to the bargaining table for arms reduction is to give them a reason to negotiate—while, at the same time, fulfilling our responsibility to our citizens and allies to provide an envi-

ronment safe and secure from aggression.

We have built our defense capabilities back toward levels more in accord with today's requirements for security. Modest and sustained growth in defense funding will be required to consolidate the real gains we have made. Because of severe fiscal constraints, we are proceeding at a slower pace than I originally planned, and the budget I propose provides the minimum necessary to ensure an adequate defense.

I am also submitting, for the first time, a two-year budget for National Defense. This will permit greater stability in providing resources for our defense efforts and should lead to greater economy in using these resources.

Budget Process Reform

The current budget process has failed to provide a disciplined and responsible mechanism for consideration of the Federal budget. Budget procedures are cumbersome, complex, and convoluted. They permit and encourage a process that results in evasion of our duty to the American people to budget their public resources responsibly. Last year Congress did not complete action on a budget for 8 months and 2 weeks—2 weeks past the statutory deadline. Except for the initial report of the Senate Budget Committee, Congress missed every deadline it had set for itself just 9 months earlier. In the end, Congress passed a year-long, 389-page omnibus appropriations bill full of excessive and wasteful spending. Because Congress had not completed action on the annual appropriations bills, at one point I was compelled by law to initiate a shutdown of Federal Government activities. Such abrogation of a responsible budget process not only discourages careful, prudent legislation—it encourages excessive spending and waste.

Furthermore, since I, as President, do not have a line-item veto, I had to ignore the many objectionable features of the omnibus appropriations legislation and sign it to avoid a Federal funding crisis. I am sure that many Members of Congress do not approve of this method of budgeting the Federal Government.

Last Fall's funding crisis and its slap-dash

resolution are only one of the most obvious manifestations of the flaws in the system. Congress passes budget resolutions (without the concurrence of the President) based on functions; it considers 13 separate, but related, appropriations bills based on agencies, not functions; it develops a reconciliation bill; it passes authorizing legislation, sometimes annually; and it enacts limits on the public debt. The words alone are obscure and confusing; the process behind it is chaotic. The process must be streamlined and made more accountable.

Shortly, I will outline specific reforms designed to make the process more efficient and increase accountability, so that we can give the American people what they deserve from us: a budget that is fiscally responsible and on time.

Conclusion

Looking back over the past 6 years, we can feel a sense of pride and satisfaction in our accomplishments. Inflation has been brought under control. Growth and investment are up, while interest rates, tax rates, and unemployment rates have all come down substantially. A foundation for sustained economic expansion is now in place. Our national security has been restored to more adequate levels. The proliferation of unnecessary and burdensome Federal regulations has been halted. A significant beginning has been made toward curbing the excessive growth of domestic spending. Management of the Government is being improved, with special emphasis on productivity.

Important tasks, however, still remain to be accomplished. The large and stubbornly persistent budget deficit has been a major source of frustration. It threatens our prosperity and our hopes for continued economic growth.

Last year, the legislative and executive branches of Government responded to this threat by mandating gradual, orderly progress toward a balanced budget over the next 4 years. The proposals outlined here achieve the 1988 target while preserving legitimate programs for the aged and needy, providing for adequate national security, devoting more resources to other

high-priority activities, and doing this without raising taxes.

This budget presents hard choices which must be faced squarely. Congress must not abandon the statutory deficit targets of Gramm-Rudman-Hollings. Honoring the provisions and promises of this legislation offers the best opportunity for us to escape the chronic pattern of deficit spending that has plagued us for the past half century. We must realize that the deficit problem is also an opportunity of a different kind—an opportunity to construct a new, leaner, better

focused, and better managed Federal structure supporting a more productive and more competitive America.

RONALD REAGAN

January 5, 1987

Note: Identical messages were sent to Jim Wright, Speaker of the House of Representatives, and George Bush, President of the Senate. Included in the budget submission was a request for a \$4,514,949,000 supplemental appropriation for fiscal year 1987.

Letter to the Speaker of the House of Representatives and the President of the Senate on Executive, Legislative, and Judicial Salaries

January 5, 1987

Dear Mr. Speaker: (Dear Mr. President:)

As required by Section 225 of the Federal Salary Act of 1967, Public Law 90-206, (2 U.S.C. 351 et seq.), the latest Quadrennial Commission on Executive, Legislative, and Judicial Salaries ("Quad Commission") has submitted to me recommendations on salaries for Senators, Representatives, Federal judges, Cabinet officers, and other agency heads, and certain other officials in the executive, legislative, and judicial branches.

The statute requires that, in the budget next submitted after receipt of the report of the Commission, I set forth recommendations for adjustment of these salaries. Pursuant to section 225(i), as amended by section 135 of Public Law 99-190, these recommendations will be effective unless Congress disapproves the recommendations by a joint resolution within 30 days following the transmittal of my budget.

As referred to in my Budget Message, I am recommending increases in executive level pay for offices and positions within the executive, legislative, and judicial branches of the Federal Government. The Quad Commission's report, submitted to me on December 15th, 1986, documented both the substantial erosion in the real level of Federal executive pay which has occurred since 1969 and the recruitment and reten-

tion problems that have resulted, especially for the Federal judiciary. The Commission found that Federal executives and legislators have experienced a decline of over 40 percent in real income since 1969. The Quad Commission is to be commended for its diligent and conscientious effort to address the complicated and complex problems associated with Federal pay levels.

Every one of the Quad Commissions that has met over the past 18 years concluded that a pay increase for key Federal officials was necessary. Each Commission found that pay for senior government officials fell far behind that of their counterparts in the private sector. They also surmised that we cannot afford a Government composed primarily of those wealthy enough to serve. Unfortunately, the last major Quad Commission pay adjustment was in 1977—a decade ago.

In considering the Quad Commission's recommendations, I recognize that we are under a mandate to reduce the Federal deficit and hold the costs of government to an absolute minimum. In this environment, I do not believe that we can overcome the erosion of real income since 1969 of these senior government officials in one step and thus do not believe it would be appropriate

to fully implement the Quad Commission's recommendations at this time.

Accordingly, I have decided to propose a pay increase, but have cut substantially the recommendations made by the Quad Commissioners in their report to me last month. This increase is but the first step in addressing the loss of real income documented by the Quad Commission. In addition to this pay raise, I anticipate submitting another salary recommendation prior to leaving office—in response to the recommendations of the next Quad Commission, which will be appointed and will make its recommendations in 1988. While I cannot pre-judge those recommendations, assuming continued progress toward eliminating the deficit and favorable economic conditions, I would expect to recommend at that time another step toward overcoming that erosion of real income.

Moreover, I have decided to establish a Career Manager Pay Commission to review and report to me by next August on appropriate pay scales for our elite corps of career Government managers—those technically not included in the Quad Commission's mandate. The pay increases I am now proposing to Congress, together with responses to the recommendations of the new Career Manager Pay Commission and the next Quad Commission, are intended to constitute a significant advancement toward placing Government compensation on a fairer and more comparable footing.

Accordingly, pursuant to subparagraphs (A), (B), (C), (D), and (E) of subsection (f) of section 225(h) of Public Law 90-206 (81 Stat. 644):

For the Vice President of the United States	\$115,000
For offices and positions under the Executive Schedule in subchapter II of chapter 53 of title 5, United States Code, as follows:	
Positions at level I	99,500
Positions at level II	89,500
Positions at level III	82,500
Positions at level IV	77,500
Positions at level V	72,500
For the Board of Governors, United States Postal Service	10,000

For Speaker of the House of Representatives	115,000
For the President Pro Tempore of the Senate, majority leader and minority leader of the Senate, and majority leader and minority leader of the House of Representatives	99,500
For Senators, Members of the House of Representatives, Delegates to the House of Representatives, and the Resident Commissioner from Puerto Rico	89,500
For other officers and positions in the legislative branch as follows:	
Comptroller General of the United States	89,500
Deputy Comptroller General of the United States, Librarian of Congress, and Architect of the Capitol	82,500
Public Printer, General Counsel of the General Accounting Office, Deputy Librarian of Congress, and Assistant Architect of the Capitol	77,500
Deputy Public Printer	72,500
For Justices, judges, and other personnel in the judicial branch as follows:	
Chief Justice of the United States ..	115,000
Associate Justices of the Supreme Court	110,000
Judges:	
Circuit Court of Appeals	95,000
Court of Military Appeals	95,000
U.S. District Courts	89,500
Court of International Trade ..	89,500
Tax Court of the United States	89,500
U.S. Claims Court	82,500
Special Trial Judges of the Tax Court	72,500
Bankruptcy Judges	72,500
Director of the Administrative Office of the U.S. Courts	89,500
Deputy Director of the Administrative Office of the U.S. Courts	72,500
U.S. Magistrates (full-time) (maximum)	72,500
U.S. Magistrates (part-time) (maximum)	36,200

Sincerely,

RONALD REAGAN

Note: Identical letters were sent to Jim Wright, Speaker of the House of Representatives, and George Bush, President of the Senate.

Message to the Congress Reporting Budget Rescissions and Deferrals

January 5, 1987

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, including Section 1014, I herewith report 73 new rescission proposals totaling \$5,839,301,314, three new deferrals of budget authority totaling \$28,716,462, and three revised deferrals of budget authority now totaling \$34,850,024.

The rescissions affect programs in the Departments of Agriculture, Commerce, Defense-Military, Defense-Civil, Education, Energy, Interior, Justice, Labor, and Treasury, the Environmental Protection Agency, the National Aeronautics and Space Administration, the Veterans Administration, the Appalachian Regional Commission, the Na-

tional Endowment for the Humanities, and the Selective Service System.

The deferrals affect programs in the Departments of Defense-Civil, Energy, Interior, and State.

The details of these rescission proposals and deferrals are contained in the attached report.

RONALD REAGAN

The White House,
January 5, 1987.

Note: The attachment detailing the proposed rescissions and deferrals was printed in the "Federal Register" of January 9.

Statement by Principal Deputy Press Secretary Speakes on the Iran Arms and *Contra* Aid Controversy

January 5, 1987

During the last week, at the President's direction, administration officials from the national security and foreign policy agencies of government worked with a staff of the Senate Select Committee on Intelligence to make possible the release of a full, declassified staff report of the committee's finding on the Iranian arms sales matter. A declassified version of the staff report, amounting to 150 pages or so, was developed in the process, and we believe it is ready for release to the public. It is the most complete account thus far of how the President's policy concerning Iran was carried out and the most complete compilation of the available facts concerning the alleged diversion of funds to the anti-Sandinista

forces in Nicaragua.

This afternoon, the committee will be meeting to consider whether to release this report. The President urges that the report be released to the public immediately. The administration cooperated fully with the committee during its investigation, fulfilling the President's desire that all of the facts concerning this matter be made available to the American people as promptly as possible. The release of a staff report would be a big step in this direction.

Note: Larry M. Speakes read the statement to reporters at 12:10 p.m. in the Briefing Room at the White House.

Appointment of John David Davenport as a Member of the Federal Retirement Thrift Investment Board

January 5, 1987

The President today announced the appointment of John David Davenport to be a member of the Federal Retirement Thrift Investment Board for a term of 1 year. This appointment is made upon the recommendation of the Speaker of the House of Representatives in consultation with the minority leader of the House of Representatives. This is a new position.

Since 1973 Mr. Davenport has been chairman of the Public Employee Benefit

Service Corp. in Oklahoma City, OK. Previously, he was chairman, Quail Creek National Bank in Oklahoma City, 1977-1983; president and chairman, American Presidents Life Insurance Co., 1968-1971; and president and founder of Davenport-Dillard, Inc., in Washington, DC, 1962-1968.

Mr. Davenport is married, has four children, and resides in Edmond, OK. He was born September 8, 1936, in Wichita Falls, TX.

Proclamation 5596—National Bowling Week, 1987

January 7, 1987

*By the President of the United States
of America*

A Proclamation

Bowling is the largest indoor participation sport in the United States. Some 70 million Americans take part each year, and millions more enjoy this exciting sport on television. Bowling is an excellent form of exercise and recreation for all people regardless of age.

Bowling is one of the oldest sports in the world. People have competed in some form of bowling for thousands of years. Today, many different forms of bowling are played in many cultures throughout the world.

Bowling has long been part of American life. Many immigrants brought different forms of bowling from their homelands. The popularity of the legend of Rip van Winkle shows that bowling has been part of our society since the birth of our country.

The Congress, by Public Law 99-589, has

designated the week beginning January 4, 1987, as "National Bowling Week" and authorized and requested the President to issue a proclamation in observance of this week.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim the week beginning January 4, 1987, as National Bowling Week. I call upon the people of the United States to observe that week with appropriate observances and activities.

In Witness Whereof, I have hereunto set my hand this seventh day of January, in the year of our Lord nineteen hundred and eighty-seven, and of the Independence of the United States of America the two hundred and eleventh.

RONALD REAGAN

[Filed with the Office of the Federal Register, 11 a.m., January 8, 1987]

Appointment of Donald A. Danner as Special Assistant to the President for Public Liaison

January 8, 1987

The President today announced the appointment of Donald A. Danner to be Special Assistant to the President for Public Liaison. He will be in charge of business and economic issues.

Prior to joining the White House staff, Mr. Danner worked for Armco for 18 years. He served in various marketing assignments for a period of 8 years. After lobbying for 3 years in Ohio, he was transferred in 1979 to Armco's Washington office as manager of legislative services. Mr. Danner has wide

experience in the business community and on Capitol Hill.

A 1968 graduate of Purdue University, West Lafayette, IN, Mr. Danner received his B.S. degree in electrical engineering. He received his master's of business administration from Xavier University, Cincinnati, OH, in 1972. Mr. Danner is a native of Ohio and resides in Arlington, VA. He is married to the former Rebecca Marshall. They have three children: Marshall, Michael, and Laura.

Letter to the Speaker of the House of Representatives and the President of the Senate Reporting on the NATO Chemical Deterrent Posture

January 9, 1987

Dear Mr. Speaker: (Dear Mr. President:)

Pursuant to the FY 1986 Department of Defense Authorization Act, P.L. 99-145, Sec. 1411(e), I am reporting to you the results of consultations among North Atlantic Treaty Organization member nations concerning the organization's chemical deterrent posture.

The attached classified report outlines the ongoing consultative process in NATO. I am confident that we are making steady progress, and that with your continued

strong support to fund chemical deterrent and defensive programs, the United States can do its share to strengthen Alliance security.

Sincerely,

RONALD REAGAN

Note: Identical letters were sent to Jim Wright, Speaker of the House of Representatives, and George Bush, President of the Senate.

Appointment of Charles N. Brower as Deputy Special Counsellor to the President

January 9, 1987

The President today announced the appointment of Charles N. Brower to be Deputy Special Counsellor to the President.

Since 1984 Judge Brower has been a Judge of the Iran-United States Claims Tribunal in The Hague, The Netherlands, an

international tribunal composed of independent judges; and since 1985 he has been a member of the board of governors of the American Bar Association. Previously, he practiced law with the firm of White & Case in New York City and Washington,

DC, 1961–1969 and 1973–1984; and from 1969–1973, he served in various positions at the Department of State, including Acting Legal Adviser.

Judge Brower graduated from Harvard

College (B.A., 1957) and Harvard Law School (J.D., 1961), and he was a Fulbright scholar in Germany (1957–1958). He was born June 5, 1935, in Plainfield, NJ.

Proclamation 5597—Martin Luther King, Jr., Day, 1987 *January 9, 1987*

*By the President of the United States
of America*

A Proclamation

In celebrating the birthday of the Reverend Dr. Martin Luther King, Jr., we honor an American who recognized the great injustice of segregation and discrimination, and made it his life's purpose and toil to right those wrongs in favor of justice, freedom, equality, fairness, and reconciliation.

Because Dr. King eschewed violence, relying instead on his eloquence and the moral force of his convictions, the cause he led changed not only laws but hearts and minds as well. He braved imprisonment, violence, and threats because, as he said, "History has proven over and over again that unmerited suffering is redemptive." Martin Luther King, Jr., fell victim to the violence he fought so fervently—but his nonviolent quest had already altered our land irrevocably and for the better.

Dr. King's vision, as he said so often, was the fulfillment of the American dream. He explained this to the graduates of Lincoln University in 1961 when he quoted our Declaration of Independence, "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness" and said, simply, "This is the dream." Dr. King emphasized that this dream excludes no one from its promise and protection and that it affirms that every individual's rights are God-given and "neither conferred by nor derived from the state."

Martin Luther King, Jr., also expressed his vision in the eternal calls for justice, forgiveness, brotherhood, and love of neighbor

recorded in Holy Writ. He frequently prayed, in the words of the prophet Amos, "Let justice roll down like waters and righteousness like a mighty stream."

Dr. King also appealed clearly and compellingly through moving accounts such as his description of a little girl marching with her mother who answered a policeman's question, "What do you want?" by replying, "Freedom." Said Dr. King, "She could not even pronounce the word, but no Gabriel trumpet could have sounded a truer note."

Every American knows the story of Dr. King's last sermon, given April 3, 1968, the night before his death. He said, expressing his credo, that he wasn't concerned about living a long life but about doing God's will. He'd been to the mountaintop, he said, and he'd seen the promised land. He said that America would reach that land, but added, "I may not get there with you." He concluded, "I'm happy, tonight. I'm not worried about anything. I'm not fearing any man. Mine eyes have seen the glory of the coming of the Lord."

Nearly five years before, Dr. King had spoken words of solace, of reconciliation, and of promise during his eulogy for the children who had died in the bombing of their Sunday school class. He said that we must not despair, nor become bitter, nor lose faith in each other. He said that death does not end the sentence of life but "punctuates it to more lofty significance." He told the children's parents that although their daughters had not lived long, they had lived well: "Where they died and what they were doing when death came will remain a marvelous tribute to each of you and an eternal epitaph to each of them." Surely Dr. King's courageous fight for justice, equality, and

brotherhood will remain his lasting epitaph and his living legacy.

In a sermon on April 4, 1967, a year to the day before his murder, Dr. King quoted the famous lines from the poem, "The Present Crisis," by James Russell Lowell: "Once to every man and nation comes the moment to decide; / In the strife of Truth with Falsehood, for the good or evil side; . . ." Dr. King did decide for the good, and the measure of his greatness is that his Nation thereupon did likewise.

By Public Law 98-144, the third Monday in January of each year has been designated as a public holiday in honor of the "Birth-day of Martin Luther King, Jr."

Now, Therefore, I, Ronald Reagan, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim Monday, January 19, 1987, as Martin Luther King, Jr., Day.

In Witness Whereof, I have hereunto set my hand this 9th day of January, in the year of our Lord nineteen hundred and eighty-seven, and of the Independence of the United States of America the two hundred and eleventh.

RONALD REAGAN

[Filed with the Office of the Federal Register, 10:59 a.m., January 12, 1987]

Radio Address to the Nation on the Fiscal Year 1988 Budget *January 10, 1987*

My fellow Americans:

As you may have heard, earlier this week I paid a visit to the hospital for minor surgery. Now my doctors tell me that I'm coming along just fine, and that's exactly how I feel—just fine. Come to think of it, with the approach of the Super Bowl, I can't resist telling you that it won't be long before I'm suited up and back on the playing field. With just 2 years to go in our administration, that makes this the beginning of the fourth quarter. So, take it from an old sportscaster: Don't leave your seats; the game ain't over!

Soon I'll appear before Congress to give my State of the Union Address, outlining our agenda for 1987 and beyond. We saw earlier this week that one part of our agenda, continued economic growth, is already well under way. On Thursday the Dow Jones Industrial Index closed above 2,000 for the first time in history; indeed, the Dow has gone up more in the past 4 years than it did in the previous 20. New figures showed that the Producer Price Index is at an excellent zero percent; while unemployment dropped to just 6.6 percent, the lowest level in nearly 7 years. And with Congress back in town, another part of the agenda, the Federal budget, has already

become an important piece of business here in Washington.

Just this week—a full month earlier than usual—our administration submitted to Congress our proposed budget for 1988. This budget reflects sound policy, both foreign and domestic. Mindful of America's world role on behalf of freedom, the budget calls for a strong and innovative national defense, including full funding for our historic Strategic Defense Initiative. After all, it was our strength, not talk, that led to my meetings with Mr. Gorbachev in Geneva and Reykjavik. In an effort to make our economy more competitive with those of other nations, our budget sets out important steps, including training for dislocated workers, the return to the private sector of certain institutions now owned by the Government, and more funding for research and development. And to set an example for the entire country, I've asked Federal agencies to continue to improve their own productivity.

This budget also reflects what accountants might refer to as sound financial management, but what you and I would call common sense. To begin with, the American people understand that it's hard enough to support a family and make ends meet

without the Government constantly raising taxes. So, this budget contains no tax increase whatsoever—none. Regarding the Federal deficit, our budget calls for prudent cuts in programs that have proven wasteful or are no longer needed—cuts that can be made without harming the poor or elderly. In this way, our budget meets the deficit-reduction goal set out last year in the Gramm-Rudman-Hollings legislation. In other words, this budget will keep the Government on a path of shrinking deficits that would see the Federal budget balanced in just 4 years. In the less than 1 week since we submitted this budget, some in Congress have already begun fumbling in the backfield. There are constant charges that the Federal deficits are somehow the fault of our administration. If Congress had approved reductions we have asked for, the deficit today would be dramatically smaller. During the past 5 years, Congress appropriated almost \$67 billion more than I requested for domestic discretionary programs.

Now, there's another point to be made here, perhaps even more important. In the past two decades, defense spending—the Federal Government's first responsibility—has fallen as a proportion of our gross national product, while domestic spending in real terms has nearly doubled, pushing total Federal spending as a proportion of the gross national product from under 20 per-

cent in 1967 to almost 24 percent today. In other words, big government has been claiming more and more of the goods and services produced by your own hard work. In the words of a recent Wall Street Journal article, those in Congress who want big government to get even bigger "are asking the public to ratify, finally and conclusively, the rising domestic spending levels Congress has legislated . . . a process that every Reagan budget has attempted to reverse." Almost as if to illustrate this point, in the 4 days that Congress has been in session, it has already considered a huge budget-busting water and sewage treatment bill that would cost \$18 billion.

Our administration remains ready to work with Congress in fashioning this budget, in particular to consider any budget proposal that meets the three basic requirements of a strong national defense, a shrinking Federal deficit, and no tax increase. But I have to be frank: If the big spenders want a fight on the budget, they'd better strap on their helmets and shoulder pads. In this fourth and final quarter, I'm determined to go out there and win one for the American people and, yes—and one for the Gipper.

Until next week, thanks for listening. God bless you.

Note: The President spoke at 12:06 p.m. from the Map Room at the White House.

Statement on the Soviet-United States Nuclear and Space Arms Negotiations

January 12, 1987

I met today with Ambassadors Max Kampelman, Maynard Glitman, and Ronald Lehman, our negotiators at the nuclear and space talks (NST), which resumed on January 15 with the opening of round seven in Geneva. I took this opportunity to emphasize once again to Ambassador Kampelman, our head of delegation, and our other negotiators my full confidence in them and the very high priority which I continue to attach to the achievement of deep, equitable, and effectively verifiable reductions in

the U.S. and Soviet nuclear arsenals. Such reductions would reduce the risk of war and make a major contribution to our efforts to build a safer world.

As this new negotiating round approaches, it is important to take a clear-eyed, objective look at where we are on the long and difficult road to real arms reduction agreements with the Soviet Union. Our longstanding commitment to a more secure U.S.-Soviet strategic relationship—one with far lower levels of nuclear arms—goes

beyond mere words. We have taken a series of concrete steps in our efforts to move closer to this goal. Most recently, our negotiators in the last round tabled new U.S. proposals which reflect the areas of agreement General Secretary Gorbachev and I reached during our October meeting at Reykjavik as well as other new U.S. proposals. These areas of agreement, which reflect our progress at Reykjavik, include:

- reductions in strategic nuclear delivery vehicles to 1,600 for each side, with no more than 6,000 warheads on these delivery vehicles;
- an interim equal global limit of 100 warheads on longer range U.S. and Soviet INF missiles, with no such missiles in Europe;
- the need for significant cuts in Soviet heavy ICBM's; and
- the need for effective verification of agreements implementing such reductions.

In an effort to meet expressed Soviet concerns, the United States also proposed at Reykjavik that neither the United States nor U.S.S.R. deploy advanced strategic defenses through 1996, while conducting research, development, and testing which are permitted by the ABM treaty. This would be coupled with agreement that during the first 5 years of this period U.S. and Soviet strategic offensive arms would be reduced by 50 percent; that during the second 5 years all remaining U.S. and Soviet offensive ballistic missiles of all ranges and armaments would be eliminated; and that at the end of 1996 either side would have the right to deploy advanced defenses, unless the parties agreed otherwise. We have since tabled this new proposal, as well, in Geneva.

In December our negotiators went to Geneva for informal meetings with their Soviet counterparts as part of preparations for round seven. During these informal talks there was no narrowing of differences, although limited progress was made in clarifying some points of agreement between the two sides. The Soviets seemed more interested, at times, in conducting an arms control public relations campaign than in the hard give and take of the confidential negotiating process. Unfortunately, since

Reykjavik, Soviet actions to move forward on arms control have not matched our own; indeed, the Soviets sometimes seem to be moving in the other direction. For example, they have backtracked from some of the important points on which Mr. Gorbachev and I reached agreement at Reykjavik.

Furthermore, at Reykjavik they reintroduced their demand that progress in every area of nuclear arms control must be linked together in a single package. This new linkage represents a major step backwards from the agreement Mr. Gorbachev and I made at our summit meeting in Geneva in November 1985 to pursue negotiations in areas where there was already common ground, including the principle of 50-percent reductions in strategic nuclear arms and an interim agreement on INF. This renewed Soviet attempt to hold progress in INF and other areas of arms control hostage to acceptance of the longstanding Soviet effort to cripple our SDI program is unacceptable to the United States and our allies, and we have made this crystal clear to the Soviet Union. Due to the strategic threat posed to the United States and our allies by the continuing Soviet offensive buildup and the extensive and longstanding Soviet programs in strategic defense, it is vital to the future security of the West that the SDI program proceed as expeditiously as possible.

The United States is ready to move forward in this new round. With the solid support of our allies and the continued support of the Congress and the American people, we will seek every opportunity to make meaningful progress towards real arms reductions. If the Soviet Union will return to Geneva with dedication equal to our own, I firmly believe the areas of progress which we have already identified can serve as the starting point from which United States and Soviet negotiators can achieve, for the first time in history, agreements on deep, equitable, and effectively verifiable reductions in our respective nuclear arsenals. Let us hope, therefore, that the Soviets will come to Geneva ready to move with us toward such historic agreements.

As I have said before, real nuclear arms reductions are within our grasp if the Soviet

Union will join us in the serious pursuit of agreements which are equitable and stabilizing for both sides and in the interest of the entire world. There is much hard work ahead and many problems remaining, but

we will leave no stone unturned in our search for this kind of agreement. The United States is ready; I hope the Soviets are as well.

Appointment of Marlin Fitzwater as Assistant to the President for Press Relations

January 12, 1987

The President today announced his intention to appoint Marlin Fitzwater to be Assistant to the President for Press Relations effective upon the departure of Larry Speakes. He will serve as spokesman for the President.

Mr. Fitzwater has been Press Secretary and Assistant to Vice President Bush since April 1, 1985. Before joining the Vice President, Mr. Fitzwater was Special Assistant to President Reagan and Deputy Press Secretary for Domestic Affairs from September 1, 1983, to April 1985. Mr. Fitzwater served as Deputy Assistant Secretary for Public Affairs at the Department of the Treasury from 1981 to 1983. In recognition of his service he was awarded the Meritorious Executive Award by President Reagan in 1982. Previously he served in the Office of

Public Affairs at the Environmental Protection Agency in 1972-1981. He served in the Office of the Secretary of Transportation in 1970-1972 as speechwriter for Secretary John Volpe and at the Appalachian Regional Commission in 1965-1967. Mr. Fitzwater was an advertising executive with the Manhattan (KS) Mercury and correspondent for the Topeka (KS) Capitol-Journal in 1962-1965. He was editor of the Lindsburg (KS) News-Record in 1962 and worked for the Abilene (KS) Reflector-Chronicle.

He graduated from Kansas State University (B.A., journalism, 1965) and served in the U.S. Air Force. He was born November 24, 1942, in Salina, KS. He has two children, Bradley and Courtney, and resides in Alexandria, VA.

Nomination of Edward J. Derwinski To Be an Under Secretary of State

January 12, 1987

The President today announced his intention to nominate Edward J. Derwinski to be Under Secretary of State for Coordinating Security Assistance Programs. He would succeed William Schneider, Jr.

Since 1983 Mr. Derwinski has been Counselor of the Department of State. Previously he was a Member of the House of Representatives, 1959-1983, and served as a member of the House Committee on Foreign Affairs since 1963. While a Member of

Congress, he served as a congressional representative on the Council of the Interparliamentary Union and as Chairman in 1971-1972 and 1979-1980 and as a delegate with the rank of Ambassador to the United Nations for the 1971 General Assembly.

Mr. Derwinski graduated from Loyola University (B.S., 1950). He is married, has two children, and resides in Arlington, VA. Mr. Derwinski was born September 15, 1926, in Chicago, IL.

Nomination of Max M. Kampelman To Be Counselor of the Department of State

January 12, 1987

The President today announced his intention to nominate Max M. Kampelman to be Counselor of the Department of State. He would succeed Edward J. Derwinski.

Ambassador Kampelman currently serves as Ambassador to the U.S. Office for Arms Reduction in Geneva, Switzerland, and as head of the United States delegation to the negotiations on nuclear and space talks. He will return to Geneva for the continuation of the talks, which resume on January 15. In addition to his current diplomatic assignment, Ambassador Kampelman is a trustee of the Woodrow Wilson International Center for Scholars, where he previously served as chairman. He was a partner in the law firm of Fried, Frank, Harris, Shriver &

Kampelman until his retirement in 1985. Previously, he served as Ambassador and head of the U.S. delegation to the Conference on Security and Cooperation in Europe, in Madrid, Spain, 1980-1983; senior adviser to the U.S. delegation to the United Nations, 1966-1967; legislative counsel to U.S. Senator Hubert Humphrey, 1949-1955; and he was a professor of political science at the University of Minnesota, 1946-1948.

Ambassador Kampelman graduated from New York University (A.B., 1940; J.D., 1945) and the University of Minnesota (M.A. and Ph.D.). He is married, has five children, and resides in Washington, DC.

Message to the Senate Urging Ratification of Two Treaties Limiting Soviet-United States Nuclear Testing

January 13, 1987

To the Senate of the United States:

Two treaties between the United States of America and the Union of Soviet Socialist Republics on (1) the Limitation of Underground Nuclear Weapon Tests, and the Protocol thereto, known as the Threshold Test Ban Treaty (TTBT) signed in Moscow on July 3, 1974, and (2) Underground Nuclear Explosions for Peaceful Purposes, and the Protocol thereto, known as the Peaceful Nuclear Explosions Treaty (PNET) signed in Washington and Moscow on May 28, 1976, were transmitted to the Senate by President Ford on July 29, 1976 with a view to receiving advice and consent to ratification. (Senate Executive N, 94th Cong., 2d Sess.) Although hearings were held a year later, the Senate itself has not acted on the treaties. I ask the Senate to consider these important treaties anew in light of developments that have taken place over the last decade.

On August 14, 1986, I transmitted to the

Congress a comprehensive study which stated U.S. national security concerns as well as our views on necessary verification improvements to the TTBT and the PNET, in response to the requirements of Section 1003 of the FY 1986 Department of Defense Authorization Act (P.L. 99-145). I am enclosing a copy of this study and commend it to your attention.

The security of the United States and the entire free world, today and for the foreseeable future, depends on the maintenance of an effective and credible nuclear deterrent by the U.S. This is a considerable challenge, in light of continuing efforts by the Soviet Union to undercut the effectiveness of our deterrent. With the support of Congress we have succeeded in meeting this challenge, and together we must continue to do so in the future.

Today I am requesting per my October 10, 1986 letter that the Senate give advice

and consent, subject to the condition set out below, to two pending treaties that have significant implications for Western security: the TTBT and PNET. These treaties have the common purpose of limiting individual nuclear explosions to no more than 150 kilotons. The TTBT, which prohibits nuclear weapon tests above 150 kilotons, places significant constraints on the efforts we may undertake in the U.S. nuclear test program to respond to Soviet nuclear and non-nuclear activities aimed at undercutting our deterrent. Hence, it is imperative that we have the necessary provisions that will make the TTBT effectively verifiable and thus assure ourselves that the Soviet Union is fulfilling its obligations and is thereby equally constrained.

Unfortunately, as I have frequently stated and the enclosed study makes clear, the TTBT and PNET are not effectively verifiable in their present form. Large uncertainties are present in the current method employed by the United States to estimate Soviet test yields. I have on several occasions reported to the Congress on the problems with Soviet compliance with the TTBT. Therefore, achieving Soviet agreement to improved verification measures that would provide for effective verification of these treaties has been my highest priority in the area of nuclear testing limitations.

As I stated in my March 14, 1986 letter to General Secretary Gorbachev, effective verification of the TTBT and PNET requires that we reduce the current unacceptable level of uncertainty in our estimates of the yields of nuclear tests. Indeed, leaders in previous Congresses have shared my view that the present large degree of uncertainty in such estimates is unacceptable, as well as my desire for sharp improvements. In this regard, we require—and have conveyed to the Soviets that we require—effective verification through direct, on-site hydrodynamic yield (CORRTEX) measurement of all appropriate high-yield nuclear detonations. Further, I informed General Secretary Gorbachev that, if the Soviet Union would agree to essential verification procedures for the TTBT and the PNET, I would then be prepared to request the advice and consent of the Senate to ratification of the treaties. Ratification of the treaties without

such provisions would be contrary to the national security interests of the United States.

As written, the TTBT relies solely on teleseismic detection and yield measurement systems and on inadequate, and unverifiable data exchange. The Soviet Union has apparently had problems in correctly assessing the yields of U.S. nuclear tests. Despite our best efforts, the Soviet Union has so far not accepted our practical proposal for achieving the necessary verification improvement of the TTBT and the PNET. We have not yet found any alternative approach which equals the effectiveness of CORRTEX—we are striving to achieve a yield-estimation accuracy of about 30 percent by this method. We have, nonetheless, advised the Soviets, at three Geneva nuclear testing experts meetings in 1986, that the U.S. is willing to consider any other direct yield measurement method the Soviets might propose, provided it is at least as capable (in terms of accuracy and non-intrusiveness) as CORRTEX. To date, they have not been forthcoming in proposing or explaining alternative verification techniques that would meet our requirements.

Recognizing the role of the Senate in the ratification process, I am therefore requesting that the Senate give its advice and consent to ratification of the TTBT and the PNET, subject to a condition in the following form:

"The Senate's Resolution of advice and consent to ratification is subject to the condition that the President shall not proceed with ratification of the Treaty on Limitation of Underground Weapon Tests and the Treaty on Underground Nuclear Explosions for Peaceful Purposes until the President has certified to the Senate that the Union of Soviet Socialist Republics has concluded with the United States additional agreements expanding upon the obligations stated in Article II of the Treaty on Limitation of Underground Weapon Tests and including provisions for direct, accurate yield measurements taken at the site of all appropriate nuclear detonations so that the limitations and obligations of these treaties, *inter alia* the 150 kiloton limit, are effectively verifiable, and until such agreements

have been submitted to the Senate, and the Senate has advised and consented to their ratification.”

I am hopeful we can reach an agreement with the Soviet Union which will allow me to certify that the treaties are effectively verifiable. I will be prepared to ratify the TTBT and the PNET at such time as the condition cited above has been fulfilled.

Further, I informed the General Secretary in Reykjavik that, once our verification concerns have been satisfied and the treaties have been ratified, and in association with a program to reduce and ultimately eliminate all nuclear weapons, I would propose that the United States and the Soviet Union immediately engage in negotiations on ways to implement a step-by-step paral-

lel program of limiting and ultimately ending nuclear testing.

The steps in this program would take into account our long-standing position that a comprehensive test ban is a long-term objective which must be viewed in the context of a time when we do not need to depend on nuclear deterrence to ensure international security and stability, and when we have achieved broad, deep, and verifiable arms reductions, substantially improved verification capabilities, expanded confidence-building measures, and greater balance in conventional forces.

RONALD REAGAN

The White House,
January 13, 1987.

Proclamation 5598—Shays’ Rebellion Week and Day, 1987 *January 13, 1987*

*By the President of the United States
of America*

A Proclamation

This year, Americans celebrate the bicentennial of many events relating to the drafting of our Constitution. One of those events was Shays’ Rebellion.

After the War of Independence, Americans continued to live under the Articles of Confederation. Problems of economic recovery and sluggish international trade clouded the horizon. In this climate of economic difficulties and the recent memory of a bitter struggle for freedom, Shays’ Rebellion took place.

Unlike many other States, Massachusetts had not passed debt relief laws. In the fall of 1786, some Massachusetts debtors tried to stop court-ordered confiscation of land and property by using force to prevent the courts from sitting. Governor Bowdoin responded by calling out the State militia and asking other States for help.

Although the Continental Congress lacked the power and resources to assist, the uprising eventually was suppressed. On January 25, 1787, Daniel Shays, a captain during the Revolution, led a group of debt-

ors who sought to stop the State Supreme Court from meeting. They attacked the courthouse at Springfield and the Federal arsenal. The State militia repelled this assault, and soon the uprising was over. A new State legislature granted some of the insurgents’ demands and pardoned or gave lenient sentences to their leaders. This judicious policy and the return of prosperity soon restored harmony in Massachusetts.

Thomas Jefferson believed that the rebels’ activities were motivated by “ignorance, not wickedness.” He pointed out that the majority of the people of Massachusetts had sided with the government, and he concluded that “the good sense of the people will always be found to be the best army.” Although many Americans were satisfied with the Articles of Confederation and were wary of a strong central government, Shays’ Rebellion did give impetus to the Federalists’ call for the establishment of what George Washington termed “a more efficient general government.”

At the Annapolis Convention of 1786, Federalists had publicized commercial disputes among the States. Now they cited the insurgency to bolster their claim that a Fed-

eral charter was needed in place of the Articles of Confederation. On February 21, 1787, the Continental Congress called for a Constitutional Convention in Philadelphia in May to amend the Articles. Fresh in the minds of the assembled delegates, Shays' Rebellion was to have a profound and lasting effect on the framing of our Constitution and on our subsequent history.

To recognize the influence of Shays' Rebellion on the movement for our Federal Constitution, the Congress, by Public Law 99-629, has designated the week beginning January 19, 1987, as "Shays' Rebellion Week" and Sunday, January 25, 1987, the two hundredth anniversary of the defense of Springfield, as "Shays' Rebellion Day" and authorized and requested the President to issue a proclamation in observance of this

event.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim the week beginning January 19, 1987, as Shays' Rebellion Week and Sunday, January 25, 1987, as Shays' Rebellion Day. I call upon all Americans to observe these occasions with appropriate ceremonies and activities.

In Witness Whereof, I have hereunto set my hand this thirteenth day of January, in the year of our Lord nineteen hundred and eighty-seven, and of the Independence of the United States of America the two hundred and eleventh.

RONALD REAGAN

[Filed with the Office of the Federal Register, 10:52 a.m., January 14, 1987]

Address to High School Students on Martin Luther King, Jr.'s Birthday *January 15, 1987*

Greetings. One of the joys of my current job has been getting to know America's young people. I've met you here at the White House, and everywhere I've traveled throughout this land—on campuses, in churches, on military bases—young people were there. Your idealism and confidence, your gusto for life, have been an energy source this not-so-young President has been able to tap. I'm proud of each of you and share your desire to ensure that when you're ready to make your mark—and that won't be many years from now—that our country is the free and opportunity land that God intended her to be.

I appreciate this chance to speak with you on this special day, the birthday of a man who contributed so much to our way of life. In a few days we'll be honoring his memory with a national holiday, a day for all citizens of all races to reflect on the legacy of Dr. Martin Luther King, Jr. I hope each of you will take the time to do just that. His memory should serve not just as an inspiration to black Americans but to each and every one of us to stand firm for

our principles and to strive to better ourselves and our country. Martin Luther King, Jr., was born on January 15, 1929, in Atlanta, Georgia, the son of a Baptist minister. He never reached his 40th birthday, yet during his short life span he touched the lives of every American and helped dismantle the legal vestiges of discrimination and racism. He was committed to seeing that our nation lived up to its promise of liberty and justice for all. Ours is a better country today; each of you has more potential, more opportunity, because of the hard work and courage of one remarkable individual.

To me, and probably to your parents, Dr. King is a vivid memory. However, to many of today's high school students he may be little more than a prominent person mentioned in history books. Well, not many of those people described in your history books have national holidays in their memory. Only two other Americans, Washington and Lincoln, are so honored. And just to set the record straight, I may be old, but there's no truth to the story that Abe

Lincoln and I walked to school together back in Illinois. Seriously though, Lincoln may have been before my time, but I do remember Dr. King. Even those who had disagreements with Dr. King now recognize that the changes he helped bring about were right and, in the long run, made our country stronger. But the cleansing process is not easy. We needed such an individual to mobilize our people and organize a movement that would touch the conscience of our nation.

Today the job that Martin Luther King, Jr., started is ours to finish. We're counting on you, the young people of the United States, to have the courage and commitment to do what is right. As recent unfortunate events have demonstrated, we cannot be complacent about racism and bigotry. And I would challenge all of you to pledge yourselves to building an America where incidents of racial hatred do not happen, because racism has been banned not just from the law books but from the hearts of the people. You should accept nothing less than making yours a generation free of bigotry, intolerance, and discrimination. If I might be presumptuous enough to offer this suggestion: A good place to start, a tangible contribution each of you can make, is to be totally intolerant of racism anywhere around you. If someone, even a friend, uses an ugly word referring to another's race or religion, let's make it clear we won't put up with it. Racial, ethnic, or religious slurs are vulgar, mean spirited; and there is no place for them in a democratic and free America.

The future of this great country is certainly in your hands. Your leadership and moral standards will determine if the U.S.A. continues to serve as a beacon of hope and opportunity to all mankind. In a democracy like ours, it's not enough just to believe in something; we must get involved and speak out. Dr. King was one such citizen who spoke out, and he did it with such moral conviction that the whole Nation heard his plea. It was 24 years ago when he made one of the great orations of this or any century. I hope each of you've had a chance to hear this historic address. No one in political life could help but admire the talents and dedication of this man when, on the steps of the Lincoln Memorial, before a

rally of over 250,000, he so eloquently spoke of his dream. He spoke of a dream that one day the sons of slaves and the sons of slaveowners might sit down at the table of brotherhood.

I couldn't help but think of that speech when I read about a unique gathering that took place in North Carolina. You may have read about it, too. Last August there was a reunion of people, white and black, who trace their ancestry to the Somerset Plantation, near Creswell, North Carolina. The memory of the evil that once was slavery was not and should not be forgotten. But for that day, as Dr. King dreamed, the descendants of slaves and of slaveowners broke bread and had fellowship together, showing the rest of us what good will is all about. The descendants of those families of Somerset have made many contributions to America—some in the quiet way of raising families and building their communities; others, like Clarence Blount, the majority leader of the Maryland State senate, made a mark in government service. There were those who did well in business; others were ministers, lawyers, or school principals. Some served in the military, side by side with the descendants of slaves and slaveowners; together they protected our country against foreign threats. And that's why freedom for all is so important. It unleashes the best in each of us. Limiting the rights of any citizen is limiting America.

Martin Luther King, Jr., helped tear down the institutions of racism that remained from the days of slavery—institutions that unconscionably limited black Americans, preventing them from achieving their best. He helped open doors that were bolted and pushed aside roadblocks to personal advancement. We still must remain vigilant that government policies do not intentionally or unintentionally stand in the way of the upward mobility of any citizen. Here again, this isn't just a job for government; it's a job for you. As young people, you can honor Dr. King today by making certain you try your hardest to take advantage of the great opportunities available to you. Certainly that includes being diligent in your studies, but it also means saying no to drugs and keeping clear of

other temptations that will undermine your future.

I don't feel as if I can speak for him, but I'm certain Dr. King would also be proud of anything you do to reach out to others who might need some help in getting ahead. I hope each and every one of you will get involved in at least one project that helps others. There are clubs and associations, at school or church, which offer all of us a way to do some good. You may be surprised that by helping others you'll find how much you're also helping yourself by building your confidence and meeting wonderful people. One person I know who agrees with this is Bill Cosby. He's been so successful and has so much, yet he still thinks of others. Last month he gave a substantial contribution to Fisk University, one of America's historically black colleges. His generosity, his caring, is one of the things that makes him someone we admire, and not just for his talent. We all can't give as much as Bill Cosby, but there's something each one of us can contribute to our school, our community, to others in need. The students at Byng High School in Ada, Oklahoma, have a motto: "How do I know I can't accomplish my goals until I try." I think that's a bit of wisdom that all of us in and out of school should always remember.

I'd like to leave you on this special day with a story about a friend of mine who exemplifies the concern and the can-do spirit we're talking about. His name is Bill Lucas. Bill's parents died when he was a child, and he was raised in Harlem by a

loving aunt who cared for him as her own. When he was in school his track team was up for the championship, and he was representing the team in the 3-mile race. On the first lap around the track he lost a shoe. Now, other runners might have quit. Bill kept going and finished that race with a foot bloody and torn, but he came in third. And those extra points for third place, added to the rest of the team's score, were just enough to win the championship for his school. Later in life this same spirit helped this man from such a humble background to go on and accomplish great things. He was a teacher, an investigator for the Civil Rights Commission, an FBI agent, and the executive officer of one of the largest counties in the United States. Last year he was a candidate for Governor of Michigan. And although he didn't win and become Michigan's first black Governor, Bill keeps moving ahead, doing his very best. And I can tell all of you, if America is a land of champions, it's because of people like Bill Lucas and because of people like you.

Today is Martin Luther King, Jr.'s birthday. Let us honor him by living the kind of lives that will make this dream—his dream—a reality. I appreciate this chance to speak with you. I wish you all the very best. Thank you, and God bless you.

Note: The President spoke at 2 p.m. from the Oval Office at the White House. His remarks were broadcast by the Public Broadcasting Service to schools throughout the Nation.

Appointment of Ronald Keith Sable as Special Assistant to the President for Legislative Affairs

January 16, 1987

The President today announced the appointment of Ronald Keith Sable as Special Assistant to the President for Legislative Affairs.

Mr. Sable has served since September 1985 as Special Assistant to the President for National Security Affairs and Senior Director of Legislative Affairs for the National

Security Council. Previously he served as assistant to Kenneth M. Duberstein, Assistant to the President for Legislative Affairs. Prior to that time, Mr. Sable served as Chief of Air Operations, Office of the Secretary of the Air Force, 1979-1982; and Air Force advance agent for Presidential travel, 1974-1978. Mr. Sable, a commercial and military

pilot, is retired from the Air Force (colonel). He graduated from Iowa Wesleyan College (B.S., 1963), Southern Illinois University (M.S., international relations, 1975), and the Harvard University program in international security affairs. He is a recipient of the Valley Forge Freedom Foundation's George Washington Honor Medal, Defense Superior

Service Medal, Distinguished Flying Cross, Meritorious Service Medal, Air Medal, and the Iowa Wesleyan College Distinguished Alumnus Award.

Mr. Sable is married, and he has one child. He was born on May 8, 1941, in Farmington, IA, and currently resides in Alexandria, VA.

Appointment of Bryce L. Harlow as Special Assistant to the President for Legislative Affairs *January 16, 1987*

The President today announced the appointment of Bryce L. Harlow as a Special Assistant to the President for Legislative Affairs.

Mr. Harlow has served as Associate Director of the Office of Management and Budget for Legislative Affairs since October 1985. Previously he had served as Special Assistant to the President for Legislative Affairs, beginning in February 1985. Mr. Harlow was Director of the Office of Congressional Relations at the Federal Trade Commission (FTC) from October 1981 until

his 1985 appointment. He was Special Assistant to the Administrator and Acting Director of the Office of Legislation of the Environmental Protection Agency from January 1981 until joining the FTC. He was director of governmental relations for the Grocery Manufacturers of America, Inc., from 1976 to 1981.

He graduated from George Washington University (B.A., 1971). He is married, has two children, and resides in Vienna, VA. He was born January 21, 1949, in Oklahoma City, OK.

Proclamation 5599—National Sanctity of Human Life Day, 1987 *January 16, 1987*

*By the President of the United States
of America*

A Proclamation

In 1973, America's unborn children lost their legal protection. In the 14 years since then, some twenty million unborn babies, 1.5 million each year, have lost their lives by abortion—in a nation of 242 million people. This tragic and terrible toll continues, at the rate of more than 4,000 young lives lost each day. This is a shameful record; it accords with neither human decency nor our American heritage of respect for the sanctity of human life.

That heritage is deeply rooted in the hearts and the history of our people. Our

Founding Fathers pledged to each other their lives, their fortunes, and their sacred honor in the Declaration of Independence. They announced their unbreakable bonds with its immutable truths that "all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness." Americans of every succeeding generation have cherished our heritage of God-given human rights and have been willing to sacrifice for those rights, just as our Founders did.

Those rights are given by God to all alike. Medical evidence leaves no room for doubt that the distinct being developing in a mother's womb is both alive and human.

This merely confirms what common sense has always told us. Abortion kills unborn babies and denies them forever their rights to "Life, Liberty and the pursuit of Happiness." Our Declaration of Independence holds that governments are instituted among men to secure these rights, and our Constitution—founded on these principles—should not be read to sanction the taking of innocent human life.

A return to our heritage of reverence and protection for the sanctity of innocent human life is long overdue. For the last 14 years and longer, many Americans have devoted themselves to restoring the right to life and to providing loving alternatives to abortion so every mother will choose life for her baby.

We must recognize the courage and love mothers exhibit in keeping their babies or choosing adoption. We must also offer thanks and support to the millions of Americans who are willing to take on the responsibilities of adoptive parents. And we must never cease our efforts—our appeals to the legislatures and the courts and our prayers to the Author of Life Himself—until infants before birth are once again afforded the same protection of the law we all enjoy.

Our heritage as Americans bids us to respect and to defend the sanctity of human life. With every confidence in the blessing of God and the goodness of the American people, let us rededicate ourselves to this solemn duty.

Now, Therefore, I, Ronald Reagan, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim Sunday, January 18, 1987, as National Sanctity of Human Life Day. I call upon the citizens of this blessed land to gather on that day in homes and places of worship to give thanks for the gift of life and to reaffirm our commitment to the dignity of every human being and the sanctity of each human life.

In Witness Whereof, I have hereunto set my hand this 16th day of January, in the year of our Lord nineteen hundred and eighty-seven, and of the Independence of the United States of America the two hundred and eleventh.

RONALD REAGAN

[Filed with the Office of the Federal Register, 4:37 p.m., January 16, 1987]

Statement by Deputy Press Secretary for Foreign Affairs Howard on the Kidnaping of President León Febres-Cordero Ribadeneyra of Ecuador

January 16, 1987

The United States Embassy in Quito, Ecuador, has confirmed that Ecuadoran President León Febres-Cordero is being held hostage by elements of the Ecuadoran Air Force. One of the pillars of this administration's foreign policy is to support democratic governments and democratic processes in Latin America.

The administration is deeply disturbed by

the developments that threaten constitutional and democratic rule in Ecuador. We strongly urge that the democratically elected President of Ecuador be immediately released and unconditionally allowed to resume his constitutional duties.

Note: President Febres-Cordero was released by his captors later that day.

Radio Address to the Nation on the Defense Budget *January 17, 1987*

My fellow Americans:

Today I'd like to begin with an expression of gratitude to all who sent get-well cards and letters after my brief hospital stay 9 days ago. Of course, some of my favorites came from young people. Eight-year-old Colin MacDonald, of Holbrook, New York, told me that he liked my speeches—except when they preempted his favorite TV shows. And second-grader Jennifer Carl, of Canton, Ohio, was kind enough to draw a picture of me in bed, Nancy standing at my side, serving me a bowl of—well, of purple soup. Nancy wants the recipe. Jennifer, it's true that my doctors insist I stay home and take it easy for the next several weeks—which I will—but I want you to know that I'm out of bed, feeling fine, and looking forward to getting back on a full schedule. Jennifer, Colin, and to all of you, Nancy and I extend our heartfelt thanks.

But to get down to business: This week I met our arms negotiating team, headed by Max Kampelman, before they returned to Geneva to begin a new round of talks with the Soviets. We discovered that all of us shared a sense of anticipation; a feeling that after Reykjavik, where Mr. Gorbachev and I found new areas of agreement, the prospects for genuine arms reductions were better than at any time in years. And we agreed that underlying these hopes for progress toward a lasting world peace—underlying, indeed, the Soviets' return to the bargaining table—was the knowledge that, at last, the United States could once again deal with the Soviet Union from a position of strength.

Think back just 6 years: Our Navy had dwindled from more than 1,000 ships to less than 500. Many of our planes couldn't fly for lack of spare parts. And our men and women in uniform were seeing their pay in real terms shrink while pay in the private sector rose. Well, I believed on first taking office, as I do today, that the defense of this Republic is not just one of the duties of the Federal Government, it is the first duty. So, with bipartisan congressional support, we

took action at once on the rebuilding of our nation's defenses. Since 1980 we've increased the number of Army divisions from 16 to 18. We've reactivated 4 battleships and purchased 124 new ships for the Navy, including 2 new aircraft carriers and 21 high-technology Aegis-class cruisers and destroyers. We've purchased over 2,500 new tactical fighter aircraft. And just as important, we've more than doubled our vital stocks of spare parts and munitions, stocks that were dangerously low in 1981. Pay and benefits for our Armed Forces has increased substantially. And perhaps most heartening, the proportion of recruits holding high school diplomas has risen from less than 70 percent in 1980 to more than 90 percent today.

At the same time we've been spending the needed funds, we've found important new ways to spend that money better. The Defense Department, for example, has greatly expanded competitive bidding and is this year submitting to Congress the first-ever 2-year defense budget to replace the old, inefficient, year-by-year process. Add to these the changes contained in last year's Goldwater-Nichols legislation, and those set in place at the recommendation of the Packard commission, and you have perhaps the most dramatic defense reforms since the formation of the Department of Defense itself. All of this is having a profound effect. Morale in our Armed Forces has soared. All the world has taken note that the United States has reasserted its role on behalf of freedom. And in the past 6 years, not 1 inch of territory has fallen to Communist aggression; while one nation, Grenada, has been set free.

Now Congress and our administration have the opportunity to continue the vital work of rebuilding our defenses, already so well begun. But I must tell you that we cannot take continued progress for granted. In 1985 and '86 Congress cut the defense budget sharply. Needless to say, we hope that won't happen again. But with up-down, up-down funding, it does look as though

some want to turn the Congress' defense budget into a kind of crazy roller coaster. Yet this up-down funding is inefficient and costly, taking money out of the taxpayers pockets. And there could be no thrill in going downhill very fast when what would be going down would be our ability to defend itself. So, I appeal to Congress: In the days ahead, let's work together to provide 2-year defense funding that is both adequate and steady. And I appeal to you,

the American people: Join me in letting Congress know that nothing matters more than our freedom and peace. And therefore, the new strength America has achieved in recent years must not be undermined, but built upon.

Until next week, thanks for listening, and God bless you.

Note: The President spoke at 12:06 p.m. from Camp David, MD.

Message to the Senate Transmitting the International Wheat Agreement, 1986

January 20, 1987

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Wheat Trade Convention and Food Aid Convention constituting the International Wheat Agreement, 1986, opened for signature at the United Nations Headquarters, New York, from May 1 through June 30, 1986. The Conventions were signed by the United States on June 26, 1986. I transmit also, for the information of the Senate, the report of the Department of State with respect to the Conventions.

The Wheat Trade Convention, 1986, replaces the Wheat Trade Convention, 1971, and maintains the framework for international cooperation in wheat trade matters. It also continues the existence of the International Wheat Council.

The Food Aid Convention, 1986, replaces

the Food Aid Convention, 1980, and renews commitments of donor member states to provide minimum annual quantities of food aid to developing countries.

The United States is continuing to participate provisionally in the International Wheat Council and Food Aid Committee. The Council and the Committee have granted the United States an extension of time, through June 30, 1987, to deposit instruments of ratification.

It is my hope that the Senate will give early and favorable consideration to the two Conventions, and give its advice and consent to ratification so that ratification by the United States can be effected and instruments of ratification deposited no later than June 30, 1987.

RONALD REAGAN

The White House,
January 20, 1987.

Message to the Congress Transmitting a Report on United States Aeronautics and Space Activities for 1985

January 20, 1987

To the Congress of the United States:

I am pleased to transmit this report on the activities and accomplishments of the

United States in aeronautics and space during calendar year 1985. Fourteen departments and agencies of the Federal gov-

ernment contributed to the report, but the National Aeronautics and Space Administration (NASA) and the Department of Defense (DOD) were the major participants. The report is provided in accordance with Section 206 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2476).

During 1985, the Nation's activities in aeronautics and space continued to provide significant benefits. The basis for future space missions has expanded by acquiring new scientific knowledge about the solar

system and the physical and life sciences; processing materials and manufacturing new products in space that have commercial potential; and intensifying the concentration of aeronautical research and development programs in potentially high-payoff technologies that will allow the United States to maintain a technological advantage in international competition.

RONALD REAGAN

The White House,
January 20, 1987.

Proclamation 5600—National Safe Boating Week, 1987 *January 20, 1987*

*By the President of the United States
of America*

A Proclamation

To remind Americans of the need to keep safety in mind while on the Nation's waters, one week out of every year is designated as National Safe Boating Week. This year, it is estimated, over 68 million Americans will enjoy boating on our country's lakes, rivers, streams, oceans, and bays. Boating is fun and relaxing, but the marine environment is not without hazards. Therefore, it is imperative that all boaters learn and practice safe boating techniques.

The theme of this year's National Safe Boating Week, "Be Smart! Take a Boating Course!," emphasizes the importance of learning safe ways to enjoy the sport of boating. As each year passes, our Nation's waters become increasingly crowded with new and exciting craft. In addition to the traditional sailboats, cruisers, canoes, and rowboats, we now have jet-powered water skis, sailboards, and high-speed power boats whose capabilities rival the racing craft of yesteryear.

Because of these developments, it is vital that all boaters understand the courtesies and basic principles of boating safety. Using a boat requires knowledge and experience, just like operating an automobile. Unedu-

cated boaters not only expose themselves to hazards, but also jeopardize their passengers and other boaters. A lack of knowledge, coupled with fatigue, alcohol or drug use, or faulty equipment, can produce fatal results. Since the majority of boating accidents are due to operator error, education is the key to their prevention.

In recognition of the need for boating safety, the Congress, by joint resolution approved June 4, 1958, as amended (36 U.S.C. 161), authorized and requested the President to proclaim annually the week commencing on the first Sunday in June as National Safe Boating Week.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim the week beginning June 7, 1987, as National Safe Boating Week. I invite the Governors of the States, Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, and American Samoa, and the Mayor of the District of Columbia to provide for the observance of this week.

In Witness Whereof, I have hereunto set my hand this twentieth day of January, in the year of our Lord nineteen hundred and eighty-seven, and of the Independence of the United States of America the two hundred and eleventh.

RONALD REAGAN

[Filed with the Office of the Federal Register, 4:53 p.m., January 21, 1987]

Note: The proclamation was released by the Office of the Press Secretary on January 21.

Message to the Congress Reporting on the National Emergency With Respect to Libya

January 21, 1987

To the Congress of the United States:

1. I hereby report to the Congress on developments since my last report of July 30, 1986, concerning the national emergency with respect to Libya that was declared in Executive Order No. 12543 of January 7, 1986. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c); section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c); and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c).

2. As set forth in detail in my July 30, 1986, report, in Executive Order No. 12543 I prohibited, with effect from February 1, 1986: (1) the import into the United States from Libya, and (2) the export from the United States to Libya, of any goods or services; (3) transactions relating to transportation to or from Libya; (4) the purchase by U.S. persons of goods for export from Libya to any country; and (5) the performance by U.S. persons of any contract in support of an industrial or other commercial or governmental project in Libya. I further prohibited, with effect from January 7, 1986: (6) the grant or extension of credits or loans by U.S. persons to the Government of Libya (including government-controlled entities); (7) transactions by U.S. persons relating to travel by U.S. citizens or permanent resident aliens to Libya, or activities within Libya, other than for the purpose of: (a) effecting such persons' departure from Libya, (b) performing acts listed in items (1) through (5) above prior to February 1, 1986, or (c) travel for journalistic activity by professional journalists. On January 8, 1986, in Executive Order No. 12544, I augmented the transactional prohibitions contained in Executive Order No. 12543, and ordered the immediate blocking of all property and

interests in property of the Government of Libya (including the Central Bank of Libya and other government-controlled entities) then or thereafter located in the United States, or then or thereafter coming within the possession or control of U.S. persons, including their overseas branches.

3. The declaration of national emergency with respect to Libya was made, and the above-noted actions were taken, pursuant to the authority vested in me as President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), sections 504 and 505 of the International Security and Development Cooperation Act of 1985 (22 U.S.C. 2349aa-8 and 9), section 1114 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1514), and section 301 of title 3 of the United States Code.

4. Since my July 30, 1986, report, the only additional amendment to the Libyan Sanctions Regulations administered by the Office of Foreign Assets Control of the Department of the Treasury was an announcement that the Office of Management and Budget had approved the information collection provisions contained in the Regulations. The announcement was published at 51 Fed. Reg. 28933, August 13, 1986, and a copy is enclosed. Additionally, since July 30, 1986, there have been no amendments or changes to orders of the Department of Commerce or the Department of Transportation implementing aspects of Executive Order No. 12543 relating to exports from the United States and air transportation, respectively.

5. During the 6-month period ending July 7, 1986, the Office of Foreign Assets Control issued specific licenses to five (5) U.S. oil companies and thirteen (13) service

companies, authorizing them to complete the winding down of their Libyan operations after the effective dates of the prohibitions in Executive Orders No. 12543 and 12544. These licenses expired on or before June 30, 1986, and the companies' reports under their specific licenses indicate that they completed their operations in Libya by the June 30, 1986, expiration date. During the current 6-month period, additional specific licenses were issued to the oil companies to authorize them (a) to pay taxes and expenses to the Libyan Government for the period prior to June 30, 1986, and (b) to enter into "standstill" and "operator" agreements with Libya. These agreements provide, *inter alia*, for the Government of Libya's recognition of continued American ownership of immovable and inactive assets; call for continuing negotiations for the sale of assets to Libyan entities; suspend the oil companies' contractual obligations to the Government of Libya; and enable Libyan companies to assume operating functions formerly performed by the U.S. companies. Additional licenses have been issued to several of the U.S. service contractor companies authorizing them to pay pre-June 30, 1986, tax obligations out of dinar accounts in Libya and to sell assets in Libya to Libyan-controlled companies.

6. The expenses incurred by the Federal government in the 6-month period from July through December 1986 that are di-

rectly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at \$1,528,791.00, of which approximately \$1,428,791.00 represents wage and salary costs for Federal personnel, and approximately \$100,000.00 represents expenses for travel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Customs Service, the Office of the Assistant Secretary for Enforcement, the Office of the Assistant Secretary for International Affairs, and the Office of the General Counsel), the Department of State, the Department of Commerce, the Department of Justice, the Federal Reserve Board, and the National Security Council.

7. The policies and actions of the Government of Libya continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. I shall continue to exercise the powers at my disposal to apply economic sanctions against Libya as long as these measures are appropriate and will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

RONALD REAGAN

The White House,
January 21, 1987.

Nomination of Trusten Frank Crigler To Be United States Ambassador to Somalia

January 21, 1987

The President today announced his intention to nominate Trusten Frank Crigler, a career member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador of the United States of America to the Somali Democratic Republic. He would succeed Peter Scott Bridges.

In 1961 Mr. Crigler joined the Foreign Service and was assigned as an intelligence analyst in the Bureau of Intelligence and Research. Mr. Crigler became political offi-

cer at the American consulate general in Guadalajara, Mexico, in 1963. He served at the U.S. Embassy in Mexico, as consular officer, 1964-1966; political officer at the U.S. Embassy in Kinshasa, Zaire, 1966-1967; American consul (resident) in Bukavu, Zaire, April to July 1967; American consul (nonresident) in Kisangani, Zaire, 1967-1969; political-economic officer at the U.S. Embassy in Libreville, Gabon, 1969-1970; and political adviser at the U.S. Mission to

the Organization of American States in Washington, DC, 1970. Mr. Crigler received a congressional fellowship where he served first on the staff of Representative Frank Thompson (NJ) and then with Senator Lloyd Bentsen (TX). In August 1974 Mr. Crigler went to the U.S. Embassy in Mexico as political officer, where he served until he was appointed Ambassador to Kigali, Rwanda, in September 1976. He became deputy chief of mission at the U.S. Embassy

in Bogotá, Colombia, 1979, and Chargé d'Affaires, 1979–1981; Director of the Office of Mexican Affairs, 1981–1983; and Senior Inspector, Office of the Inspector General at the Department of State, 1983.

Mr. Crigler graduated magna cum laude from Harvard College (B.A., 1957). His foreign languages are Spanish and French. He is married to the former Bettie Ann Morris, and they have three children. Mr. Crigler was born October 17, 1935, in Phoenix, AZ.

Nomination of Burton Levin To Be United States Ambassador to Burma

January 21, 1987

The President today announced his intention to nominate Burton Levin, of Maryland, a career member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador of the United States of America to the Socialist Republic of the Union of Burma. He would succeed Daniel Anthony O'Donohue.

Mr. Levin entered the Foreign Service in 1954 and first served as a consular and economic officer at the U.S. Embassy in Taipei, Taiwan, 1954–1956. He returned to Washington in 1956 and served as a researcher in the Bureau of Intelligence and Research. From 1958 to 1959, he studied Chinese at the Foreign Service Institute School in Taichung, Taiwan. From there, in 1960, he became political officer at the U.S. Embassy in Jakarta, Indonesia, and political officer in the East Asian Bureau of the State Department, 1963–1964. Mr. Levin took Chinese area training at Harvard University, 1964–

1965, and was then assigned as political officer at the American consulate general in Hong Kong, 1965–1969. From there he went to the U.S. Embassy in Taipei as political officer, 1969–1973, when he became a visiting fellow at the Hoover Institute at Stanford University. From July to September 1974, he worked as a congressional liaison in the East Asian Bureau, before becoming Director of the Republic of China desk, 1974–1977. In 1977 Mr. Levin was assigned to Hong Kong as deputy principal officer, where he served until 1978, when he became deputy chief of mission at the U.S. Embassy in Bangkok, Thailand. Since 1981 he has been consul general in Hong Kong.

He graduated from Brooklyn College (B.A., 1952) and Columbia University (M.I.A., 1954). Mr. Levin is fluent in Chinese (Mandarin). He is married and has two children. Mr. Levin was born September 28, 1930, in New York City.

Nomination of Richard Noyes Viets To Be United States Ambassador to Portugal

January 21, 1987

The President today announced his intention to nominate Richard Noyes Viets, of Florida, a career member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador of the United States of America to the Republic of Portugal. He would succeed Frank Shakespeare.

Mr. Viets became a junior officer in 1955 with the United States Information Agency and served in Kabul, Afghanistan, and Tunis, Tunisia, until 1957. From 1957 to 1960, he was assistant trade fair manager in the Office of International Trade Fairs, Department of Commerce. From January to March 1962, he was an investigator in the Bureau of Labor Statistics, and from March to May 1962, a researcher for the science conference staff at the Agency for International Development. Mr. Viets was appointed a Foreign Service officer in May 1962 and was first assigned as a commercial officer in Tokyo, Japan. From 1965 to 1967, he was commercial officer in Madras, India, to be followed as political-economic officer in

New Delhi, India, 1967–1969. He then became special assistant to the U.S. Ambassador in New Delhi, 1969–1972. He returned to Washington in 1972 to serve as a senior watch officer and then Director of the Executive Secretariat until 1974. In 1974 Mr. Viets was assigned as deputy chief of mission in Bucharest, Romania, where he served until 1977, when he was assigned as deputy chief of mission in Tel Aviv, Israel. In 1979 he was appointed U.S. Ambassador to the United Republic of Tanzania, to be followed in 1981 as U.S. Ambassador to the Hashemite Kingdom of Jordan. In 1985 he became a member of the board of examiners for the Foreign Service and in 1986 a member of the Graham-Rudman-Hollings working group in the Department of State.

Mr. Viets graduated from the University of Vermont (A.B., 1955). He speaks fluent Romanian and French. Mr. Viets is married, has three children, and resides in Washington, DC. He was born November 10, 1930, in Burlington, VT.

Nomination of Everett E. Bierman To Be United States Ambassador to Vanuatu

January 21, 1987

The President today announced his intention to nominate Everett E. Bierman, currently Ambassador of the United States of America to Papua New Guinea and to the Solomon Islands, to be Ambassador to the Republic of Vanuatu. He will be nominated to serve concurrently and without additional compensation. This is a new position.

Mr. Bierman began his career in 1948 as an information officer for the Department of Agriculture. In 1951 he left Agriculture to assume the information directorship of the National 4-H Foundation in Washing-

ton, DC. He served there until 1959, when he went to Fort Wayne, IN, as public relations director for the Central Soya Co. From 1967 to 1986, Mr. Bierman was minority staff director of the House Committee on Foreign Affairs.

He graduated from Purdue University (B.S., 1948) and the American University (M.S., 1958). Mr. Bierman served in the U.S. Army from 1942 to 1946. He is married to the former Joyce Elizabeth Lear, and they have four children. Mr. Bierman was born August 16, 1924, in Hastings, NE.

Nomination of Joseph Carlton Petrone To Be United States Representative to the European Office of the United Nations *January 21, 1987*

The President today announced his intention to nominate Joseph Carlton Petrone to be Representative of the United States of America to the European Office of the United Nations, with the rank of Ambassador. He would succeed Gerald P. Carmen.

Mr. Petrone is a retired colonel from the U.S. Army, where he served from 1944 to 1970. Since 1970 he has been actively involved in farming, owning, and managing commercial and residential real estate and private investments in Iowa. From 1970 to 1976, Mr. Petrone chaired the Franco-American Memorial Day ceremonies at the United States World War I cemetery in

France. In 1982 he attended the World Balance of Power Conference at Leeds Castle, England. He served as an Alternate Representative of the United States to the 22d Session of the General Conference of the United Nations Educational, Scientific, and Cultural Organization in Paris, France. In 1985 he was a delegate on a Presidential delegation to Tananarive, Madagascar.

Mr. Petrone graduated from West Point (B.S., 1944) and received a P.S.C. in 1957 from the British Staff College. His foreign language is French. He is married to the former Augusta Henderson. He was born November 30, 1922, in Marshalltown, IA.

Nomination of Arthur G. Linkletter for the Rank of Ambassador While Serving as Commissioner General of the United States Exhibition for the International Exposition in Brisbane, Australia *January 21, 1987*

The President today announced his intention to nominate Arthur G. Linkletter for the rank of Ambassador during the tenure of his service as Commissioner General of the United States Exhibition for the International Exposition, Brisbane, Australia, 1988.

Mr. Linkletter is a world renowned broadcaster, author, and lecturer. He began his career in 1933 as an announcer for KGB Radio in San Diego, CA. From 1935 to 1939, he was a radio and public address system director for the San Diego Exposition; the Texas Centennial, Dallas; and the San Francisco World's Fair, California; respectively. Since 1941 he has been self-employed. In 1958 he served as special representative of the U.S. State Department at the Brussels World's Fair; a member of the

President's Commission for the Observance of the Twenty-fifth Anniversary of the United Nations, 1970; a member, National Advisory Council for Drug Abuse Prevention and Presidential Commission to Improve Reading, 1972; and as a member of the U.S. National Commission for the United Nations Educational, Scientific, and Cultural Organization, 1973-1978. Mr. Linkletter has received numerous awards and honorariums over the years and has received 13 honorary doctorates.

Mr. Linkletter graduated from San Diego State Teachers College (A.B., 1934). He is married to the former Lois Foerster, and they have three children. Mr. Linkletter was born July 17, 1912, in Moose Jaw, Saskatchewan, Canada.

Proclamation 5601—Imposition of Increased Tariffs on Imports of Certain Articles From the European Economic Community *January 21, 1987*

*By the President of the United States
of America*

A Proclamation

1. On March 31, 1986, I announced my decision, pursuant to section 301(a) of the Trade Act of 1974, as amended (the Act) (19 U.S.C. 2411(a)), to take action in response to restrictions imposed by the European Economic Community (EEC) affecting imports of United States grain and oilseeds into Spain and Portugal. I determined that these restrictions deny benefits to the United States arising under the General Agreement on Tariffs and Trade (GATT) (61 Stat. (pts. 5 and 6)), are unreasonable, and constitute a burden and restriction on United States commerce (51 F.R. 18294). Accordingly, in Proclamation 5478 of May 15, 1986 (51 F.R. 18296), pursuant to section 301 (a), (b), and (d)(1) of the Act (19 U.S.C. 2411 (a), (b), and (d)(1)), I imposed quantitative restrictions on imports of certain articles from the EEC in response to the EEC restrictions in Portugal.

2. In Proclamation 5478, I also announced my decision, in response to the withdrawal of tariff concessions and the application of the EEC variable levy on Spanish imports of corn and sorghum, to suspend temporarily, pursuant to section 301 (a), (b), and (d)(1) of the Act, the tariff concessions made by the United States under the GATT on articles described in Annex II to that proclamation. I made no immediate change in the U.S. duty rates for these articles in order to afford the EEC an opportunity to provide, by July 1, 1986, adequate compensation for the imposition of variable levies on imports of corn and sorghum into Spain. I further stated that, in the event such compensation were not provided by July 1, 1986, I would proclaim increased duties for these articles as appropriate. Having due regard for the international obligations of the United States, I decided that any such increased duties on these articles would be applied on a most-favored-nation basis.

3. On July 2, 1986, the United States and the EEC reached an interim agreement whereby the EEC agreed to take measures to avoid harm to U.S. sales of corn and sorghum to the EEC for the 6-month period ending December 31, 1986. In return, the United States agreed to defer action on the imposition of increased duties on imports of certain articles into the United States during this period so as to allow time for negotiation of a definitive settlement.

4. Despite extensive negotiating efforts throughout 1986, the EEC has not yet agreed to provide satisfactory compensation. Accordingly, I have determined, pursuant to section 301 (a), (b), and (d)(1) of the Act, that increased duties should be imposed on a most-favored-nation basis on the articles provided for in the Annex to this proclamation. Pursuant to general headnote 4 to the Tariff Schedules of the United States (19 U.S.C. 1202), the U.S. rates of duty for countries not receiving most-favored-nation treatment will be modified accordingly.

5. In the event that the EEC provides adequate compensation for the imposition of variable levies on corn and sorghum imports, or if other circumstances so warrant, I am authorizing the United States Trade Representative to suspend, modify, or terminate the increased duties imposed by this proclamation upon publication in the *Federal Register* of notice of his determination that such action is in the interest of the United States. Such suspension, modification, or termination shall be on a most-favored-nation basis.

Now, Therefore, I, Ronald Reagan, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States, including but not limited to section 301 (a), (b), and (d)(1) and section 604 of the Act (19 U.S.C. 2483), do proclaim that:

1. Subpart B of part 2 of the Appendix to the Tariff Schedules of the United States is modified as provided in the Annex to this

proclamation.

2. The United States Trade Representative is authorized to suspend, modify, or terminate the increased duties imposed by this proclamation upon publication in the *Federal Register* of his determination that such action is in the interest of the United States.

3. This proclamation shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after January 30, 1987.

In Witness Whereof, I have hereunto set

my hand this 21st day of January, in the year of our Lord nineteen hundred and eighty-seven, and of the Independence of the United States of America the two hundred and eleventh.

RONALD REAGAN

[Filed with the Office of the Federal Register, 12:01 p.m., January 22, 1987]

Note: The annex was printed in the "Federal Register" of January 26.

Nomination of Edward W. Kelley, Jr., To Be a Member of the Board of Governors of the Federal Reserve System

January 21, 1987

The President today announced his intention to nominate Edward W. Kelley, Jr., of Texas, District 11, to be a member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1976. He would succeed Emmett John Rice.

Since 1981 Mr. Kelley has been chairman of the board, Investment Advisors, Inc., in Houston, TX. In addition, he currently is chairman of the board of the Shoreline Companies, Inc., and director of Texas Industries, Inc. Previously he was president

and chief executive officer of Kelley Industries, Inc., 1959–1981. Mr. Kelley has served as a director of the following banks: Southern National Bank, 1961–1972; Westwood Commerce Bank, 1974–1982; and West Belt National Bank, 1982–1984.

Mr. Kelley graduated from Rice University (B.A., 1954) and Harvard Business School (M.B.A., 1959). He is married, has three children, and resides in Houston, TX. Mr. Kelley was born January 27, 1932, in Eugene, OR.

Nomination of George H. Nash To Be a Member of the National Commission on Libraries and Information Science

January 22, 1987

The President today announced his intention to nominate George H. Nash to be a member of the National Commission on Libraries and Information Science for a term expiring July 19, 1991. He would succeed Byron Leeds.

Since 1975 Dr. Nash has been an author engaged in the full-time writing of Herbert Hoover's biography at the Hoover Presiden-

tial Library. Previously he was a research fellow at the Charles Warren Center for Studies in American History at Harvard College, 1973–1974. He graduated from Amherst College (B.A., 1967) and Harvard University (M.A., 1968; Ph.D., 1973).

Dr. Nash resides in West Branch, IA, and was born April 1, 1945, in South Hadley, MA.

Nomination of Two Members of the Mississippi River Commission *January 22, 1987*

The President today announced his intention to nominate the following individuals to be members of the Mississippi River Commission:

Frank H. Walk, of Louisiana, for a term of 9 years. He would succeed Roy T. Sessums. Since 1955 Mr. Walk has been chairman of the board of Walk, Haydel & Associates, a consulting en-

gineering firm in New Orleans. He was born August 30, 1920, in New Orleans.

Brig. Gen. Charles Ernest Edgar III, U.S.A., would succeed Robert Joseph Dacey. Since 1985 General Edgar has been commander, U.S. Army Engineer Division, South Atlantic Region in Atlanta, GA. He was born January 15, 1936, in Mobile, AL.

Nomination of Seven Members of the National Council on the Arts *January 22, 1987*

The President today announced his intention to nominate the following individuals to be members of the National Council on the Arts, National Foundation on the Arts and the Humanities, for terms expiring September 3, 1992:

David N. Baker, of Indiana. He would succeed Toni Morrison. Since 1966 Mr. Baker has been a professor of music and chairman of the jazz department, Indiana University School of Music. He also serves as president of the National Jazz Service Organization. He graduated from Indiana University (B.M.E., 1953; M.M.E., 1954). Mr. Baker was born December 21, 1931, in Indianapolis, IN.

Nina Brock, of Tennessee. She would succeed Lida Rogers. Since 1981 Mrs. Brock has been a member of the Tennessee Arts Commission, which she currently chairs. She is a member of the board of directors of the Southern Arts Federation. Mrs. Brock graduated from Randolph Macon College (B.A., 1961). She was born November 18, 1939, in Birmingham, AL.

Robert Garfias, of California. He would succeed Arthur I. Jacobs. Since 1982 Mr. Garfias has been dean of fine arts, University of California at Irvine; and he also serves as president of the Orange County Arts Alliance. He graduated from San Francisco State College (B.A., 1956) and the University of California at Los Angeles

(M.A., 1958; Ph.D., 1965). Mr. Garfias was born September 22, 1932, in San Francisco, CA.

Robert M. Johnson, of Florida. He would succeed Margo Albert. Since 1984 Mr. Johnson has been serving as a State senator in the Florida State Senate, and he has served as chairman of the Florida Arts Council. He graduated from Florida State University (B.S., 1958) and the University of Florida (J.D., 1964). Mr. Johnson was born September 1, 1934, in Akron, OH.

Ardis Krainik, of Illinois. She would succeed Leah Ming Pei. Since 1981 Ms. Krainik has been general manager of the Lyric Opera of Chicago, where she has served in various capacities since 1954. She graduated from Northwestern University (B.S., 1951). Ms. Krainik was born March 8, 1929, in Manitowoc, WI.

Harvey Lichtenstein, of New York. He would succeed Robert Joffrey. Since 1967 Mr. Lichtenstein has been president and executive producer of the Brooklyn Academy of Music. He graduated from Brooklyn College (B.A., 1952). Mr. Lichtenstein was born April 9, 1929, in Brooklyn, NY.

Arthur Mitchell, of New York. He would succeed Kurt Herbert Adler. Since 1969 Mr. Mitchell has been executive director and choreographer of the Dance Theater of Harlem. He was a principal dancer with the New York City Ballet from 1952 to 1969. Mr. Mitchell was born March 27, 1934, in New York City.

Nomination of Carolyn L. Vash To Be a Member of the National Council on the Handicapped

January 22, 1987

The President today announced his intention to nominate Carolyn L. Vash to be a member of the National Council on the Handicapped for a term expiring September 17, 1989. She would succeed H. Latham Breunig.

Since 1977 Dr. Vash has been a consulting psychologist engaged in private prac-

tice. She has served as president of the Institute for Information Studies, 1979-1986. She graduated from California State College (B.A., 1957) and the University of California at Los Angeles (M.A., 1961; Ph.D., 1964).

Dr. Vash is married and resides in Altadena, CA. She was born November 11, 1934, in Oil City, PA.

Nomination of Two Members of the Board of Directors of the National Railroad Passenger Corporation

January 22, 1987

The President today announced his intention to nominate the following individuals to be members of the Board of Directors of the National Railroad Passenger Corporation (Amtrak) for terms expiring April 27, 1990:

Charles Luna, of Texas. This is a reappointment.

Mr. Luna is retired, and most recently he served as president, United Transportation Union, in Cleveland, OH, 1969-1985. Previously he served as chairman, Congress of Railway

Unions, 1970. Mr. Luna resides in Dallas, TX, and he was born October 21, 1906, in Celeste, TX.

Darrell M. Trent, of Kansas. He would succeed Ross E. Rowland, Jr. Since 1983 Mr. Trent has been chairman and CEO, Rollins Environmental Services, Inc., in Wilmington, DE. Previously he was Deputy Secretary of Transportation, 1981-1983. Mr. Trent graduated from Stanford University (B.A., 1961) and Columbia University (M.S., 1964). He resides in Wilmington, DE, and was born August 2, 1938, in Neosho, MO.

Nomination of Malcolm Forbes, Jr., To Be a Member of the Board for International Broadcasting, and Designation as Chairman

January 22, 1987

The President today announced his intention to nominate Malcolm Forbes, Jr., of New Jersey, to be a member of the Board for International Broadcasting for a term expiring April 28, 1989. This is a reappointment, and upon confirmation, he will be

redesignated Chairman.

Mr. Forbes is president and chief operating officer of Forbes, Inc. He graduated from Princeton University (B.A., 1970). Mr. Forbes was born July 18, 1947, in Morristown, NJ.

Nomination of Peter H. Dailey To Be a Member of the General Advisory Committee of the United States Arms Control and Disarmament Agency

January 22, 1987

The President today announced his intention to nominate Peter H. Dailey, of California, to be a member of the General Advisory Committee of the United States Arms Control and Disarmament Agency. He would succeed Laurence Hirsch Silberman.

Mr. Dailey is chairman of Enniskerry Financial Corp., a private investment banking

company in Reno, NV; and he is also president of the World Business Council. He served as U.S. Ambassador to Ireland from 1982 to 1984. Mr. Dailey graduated from the University of California at Los Angeles (B.S., 1954). He is married, has five children, and was born May 1, 1930, in New Orleans, LA.

Nomination of Max Charles Graeber To Be a Member of the National Advisory Council on Educational Research and Improvement

January 22, 1987

The President today announced his intention to nominate Max Charles Graeber, of Virginia, to be a member of the National Advisory Council on Educational Research and Improvement for a term expiring September 30, 1989. He would succeed David J. Armor.

Dr. Graeber is currently dean of University College at the University of Richmond. He graduated from Indiana University (B.S., 1952) and Bowling Green State University (M.A., 1965; Ph.D., 1973). Dr. Graeber was born February 9, 1928, in Valparaiso, IN.

Nomination of Rosemary G. McMillan To Be a Member of the National Museum Services Board

January 22, 1987

The President today announced his intention to nominate Rosemary G. McMillan, of Nevada, to be a member of the National Museum Services Board, National Foundation on the Arts and the Humanities, for a term expiring December 6, 1990. She

would succeed Fucheng Richard Hsu.

Mrs. McMillan has been a member of the board of directors of Reno's Washoe County Medical Center since 1986 and an active trustee of the Sierra Arts Foundation. She was born March 31, 1930, in San Francisco.

Nomination of Frank H.T. Rhodes To Be a Member of the National Science Board

January 22, 1987

The President today announced his intention to nominate Frank H.T. Rhodes, of New York, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1992. He would succeed Donald B. Rice.

Since 1977 Dr. Rhodes has been president of Cornell University. He graduated from the University of Birmingham, England (B.S., 1948; Ph.D., 1950). Dr. Rhodes was born October 29, 1926, in Warwickshire, England.

Nomination of Thomas J. Healey To Be a Member of the Board of Directors of the Securities Investor Protection Corporation

January 22, 1987

The President today announced his intention to nominate Thomas J. Healey, of New Jersey, to be a member of the Board of Directors of the Securities Investor Protection Corporation for a term expiring December 31, 1988. He would succeed Stephen L. Hammerman.

Mr. Healey is vice president, real estate department, Goldman Sachs and Co. in New York City. He graduated from Georgetown University (B.A., 1964) and Harvard University (M.B.A., 1966). Mr. Healey was born September 14, 1942, in Baltimore, MD.

Nomination of Priscilla L. Buckley To Be a Member of the United States Advisory Commission on Public Diplomacy

January 22, 1987

The President today announced his intention to nominate Priscilla L. Buckley, of Connecticut, to be a member of the United States Advisory Commission on Public Diplomacy for a term expiring July 1, 1989. This is a reappointment.

Mrs. Buckley is a senior editor of National Review magazine in New York City. She graduated from Smith College (B.A., 1943) and was born October 17, 1921, in New York City.

Remarks to Participants in the March for Life Rally

January 22, 1987

The President. Hello, Nellie Gray?

Miss Gray. Hello, Mr. President.

The President. Hello, Nellie. It's good to hear your voice again. [Applause]

Miss Gray. Mr. President, this is prolife

America greeting you today. And as you can see, the determination of prolife America is that we are going to save these babies. We are not letting any elements or anything deter us. And we want to work

strongly with the White House and the legislators, because we are going to have the paramount human life amendment. And we await your word, Mr. President.

The President. Well, Nellie, it's evident to me that you're not going to let a little weather stand in the way of this noble cause, and to all of you there in this year's March for Life: Welcome to Washington, and thank you for your commitment to the right to life of America's unborn children.

Today you remind all of us that abortion is not a harmless medical procedure but the taking of the life of a living human being. This tragic and terrible toll continues at a rate of more than 4,000 young lives lost each day. Our national commitment to the dignity of all human life must begin with the respect for our most basic civil right: the right to life. In my State of the Union Address last year, I observed that America will never be whole as long as the right to life, granted by our Creator, is denied to the unborn. Together we can overturn *Roe v. Wade*, and end this national tragedy.

Miss Gray. Yes, Mr. President.

The President. Well, by your presence here today, Nellie and all of you, you answer the violence of abortion with confidence in our democratic process. Your non-violent commitment to life can overcome the violence of abortion, and we shall overcome bitterness to reach a greater respect for human life. Many of you've already done much in our legislatures and courts. Others of you've provided counseling and compassionate care for women seeking alternatives to abortion. Each woman who chooses life for her child affirms our reverence for human life and ennobles our society. Each child is a unique, unrepeatable gift, and every child who escapes the violence of abortion is an immeasurable victory for life.

During my administration we've worked together to restrict the use of Federal funds to perform abortions, we've denied government funds to organizations overseas that perform or promote abortion, and we have repeatedly called upon the Congress and the Supreme Court to take those steps necessary to overturn *Roe v. Wade*. Your prayers and your hard work have brought us a long way since the tragedy of 1973. Together, with God's help, we will finish the task

and heal our wounded nation. God bless you all.

Miss Gray. Thank you, Mr. President. Mr. President?

The President. Yes, Nellie?

Miss Gray. We want to thank you very much for these words, and particularly those which talk about the things that we can do. For instance, we can stop the funding of abortion. And when we were here last year, Mr. President, I asked if I could work with you and your staff on a number of things, one of which concerned the DC appropriation bill. Unfortunately, when that bill went through the Congress, we were trying to stop the funding there, and then I was needing a veto. But we didn't have someone in the White House that we could work closely with. And unfortunately, again, Mr. President, for the fifth year in a row, we have funds for abortion in the District of Columbia approved by our prolife President. And I want to work with you now with a commitment that there is a senior staff member in the White House with whom I personally can work so that we can stop the funds for abortions here in the District and assure that those appropriation bills are vetoed in the White House. Because, Mr. President, when you sign the bill, it's giving a blank check to the District of Columbia, and about 10,000 babies are killed with our tax dollars. Can we work with you to stop the funds for abortion in the District of Columbia, Mr. President?

The President. Nellie, I'll get on that right away to see what can be done. I hope you realize that some of this, with regard to vetoing, runs into the thing that I don't have, but that I've been asking Congress for for these 6 years. And we'll use your help, and that is the right to line-item veto.

Miss Gray. Well, I was thinking, Mr. President, that we veto the whole District of Columbia bill, because if there's one penny in there to kill the preborn babies, then the whole bill is bad. And, Mr. President, on this DC appropriation bill, you are veto-proof. It cannot be overridden, because we proliferate have more people in the Congress, that they will uphold your veto. And I want to work closely with you and your staff personally so that we stop the

funds for abortion in the District.

The President. Well, I will get someone in touch with you, and we'll be sure that we can work closer together.

Miss Gray. Thank you, Mr. President. The people who are here today are from very far away. They're from Massachusetts, Wisconsin, those buses have rolled in from New York and Pennsylvania. We're from all over the country.

The President. Well, God bless you. And—

Miss Gray. As you can hear, we're from all over the country, and we're so committed. And we will stay with you, and we will work to help get the funds stopped plus assure that there are appointments of pro-life judges. And then I wanted to tell you, Mr. President, that Congressman [Robert K.] Dornan is introducing the paramount

human life amendment today, and we will ask your support for that, too, please.

The President. You have it. All right. God bless you all.

Miss Gray. Mr. President, we want to thank you. Know that our love and prayers are with you. We want you to be there to guide us, and we will follow your leadership. Thank you, Mr. President.

The President. Thank you. All right. Goodbye.

Note: The President spoke at 12:01 p.m. from the Oval Office at the White House via a loudspeaker hookup with the rally site. Participants had gathered on the Ellipse for a march to the Supreme Court on the 14th anniversary of the Court's decision of "Roe v. Wade," which legalized abortion. Nellie Gray was president of March for Life.

Nomination of J. Michael Dorsey To Be General Counsel of the Department of Housing and Urban Development

January 23, 1987

The President today announced his intention to nominate J. Michael Dorsey, of Missouri, to be General Counsel of the Department of Housing and Urban Development. He would succeed John J. Knapp.

Since 1986 Mr. Dorsey has been Assistant Secretary for Public and Indian Housing at the Department of Housing and Urban Development. Previously, he was a partner

with the law firm of Stinson, Mag & Fizzell in Kansas City, MO, 1974–1986; and assistant attorney general of the State of Missouri, 1973–1974. He graduated from Stanford University (B.A., 1965) and the University of Missouri (J.D., 1968; LL.M., 1973). Mr. Dorsey is married, has two children, and resides in Bethesda, MD. He was born February 6, 1943, in Kansas City, MO.

Nomination of Robert E. Lamb To Be an Assistant Secretary of State

January 23, 1987

The President today announced his intention to nominate Robert E. Lamb, of Virginia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Assistant Secretary of State for Diplomatic Security. This is a new position.

Since 1985 Mr. Lamb has been Director of the Bureau of Diplomatic Security at the Department of State. Previously, he was Assistant Secretary of State for Administration and Security, 1983–1985; Director of Financial Services in the Bureau of Administra-

tion; and Director of the Passport Office in the Bureau of Consular Affairs.

Mr. Lamb graduated from the University of Pennsylvania (A.B., 1962). He is married,

has three children, and resides in Burke, VA. Mr. Lamb was born November 17, 1936, in Atlanta, GA.

Nomination of Charles H. Dallara To Be United States Executive Director of the International Monetary Fund

January 23, 1987

The President today announced his intention to nominate Charles H. Dallara, of Virginia, to be United States Executive Director of the International Monetary Fund for a term of 2 years. This is a reappointment.

Since 1984 Dr. Dallara has served in this position. Previously he was Deputy Assistant Secretary for International Monetary

Affairs, Department of the Treasury, 1983–1984. Dr. Dallara graduated from the University of South Carolina (B.S., 1970) and Fletcher School of Law and Diplomacy (M.A., 1975; M.A.L.D., 1976; Ph.D., 1986). He is married, has two children, and resides in Annandale, VA. Dr. Dallara was born August 25, 1948, in Spartanburg, SC.

Nomination of Charles A. Shanor To Be General Counsel of the Equal Employment Opportunity Commission

January 23, 1987

The President today announced his intention to nominate Charles A. Shanor, of Georgia, to be General Counsel of the Equal Employment Opportunity Commission for a term of 4 years. He would succeed David L. Slate.

Since 1975 Mr. Shanor has been a professor of law at Emory University School of Law in Atlanta, GA, where he served as associate dean, 1981–1984. Previously, he was an associate partner with the law firm

of Sutherland, Asbill & Brennan in Atlanta, 1973–1975; and a law clerk for the Honorable Elbert P. Tuttle, U.S. Court of Appeals for the Fifth Circuit, 1972–1973.

Mr. Shanor graduated from Rice University (B.A., 1968), Oxford University (B.A., 1972; M.A., 1977, Rhodes scholar), and the University of Virginia (J.D., 1973). He is married, has two children, and resides in Atlanta. Mr. Shanor was born September 17, 1946, in Wilmington, NC.

Nomination of James L. Kolstad To Be a Member of the National Transportation Safety Board

January 23, 1987

The President today announced his intention to nominate James L. Kolstad, of Colorado, to be a member of the National Transportation Safety Board for the term expiring December 31, 1991. He would succeed

Donald D. Engen.

Since April of 1986 Mr. Kolstad has been vice president of the Pat Thompson Co., a public affairs consulting firm in Englewood, CO. He was a private consultant for the

airline and travel industries in Denver, CO, 1985–1986; senior director of communications and public affairs, Frontier Airlines, 1978–1985; and Director, Office of Community and Congressional Relations, Civil Aeronautics Board in Washington, DC, 1973–

1978.

Mr. Kolstad graduated from the University of Montana (B.A., 1960). He resides in Aurora, CO, and was born March 3, 1939, in Washington, DC.

Statement on the Iran-Iraq War *January 23, 1987*

The current Iranian assault on Iraqi forces near Basra is a reminder of the terrible suffering and loss which the Iran-Iraq war has brought to the peoples of the Gulf region. The continuation of this bloody struggle remains a subject of deep concern to the United States and to the entire world. It is a war that threatens not only American strategic interests but also the stability and security of our friends in the region.

As I have emphasized many times, we are determined to help bring the war to the promptest possible negotiated end, without victor or vanquished, leaving intact the sovereignty and territorial integrity of both Iran and Iraq. We cannot but condemn Ira-

nian seizure and occupation of Iraqi territory, and we again call upon the Government of Iran to join the Government of Iraq in seeking a rapid, negotiated solution to the conflict.

We share the concern of our friends in the Gulf region that the war could spill over and threaten their security. We would regard any such expansion of the war as a major threat to our interests as well as to those of our friends in the region. We remain determined to ensure the free flow of oil through the Strait of Hormuz. We also remain strongly committed to supporting the individual and collective self-defense of our friends in the Gulf, with whom we have deep and longstanding ties.

Radio Address to the Nation on the State of the Union *January 24, 1987*

My fellow Americans:

This coming Tuesday I'll travel up Constitution Avenue from the White House to the Capitol to deliver my State of the Union Address. The House Chamber that night will be crowded—Members of the House itself, Members of the Senate, the Justices of the Supreme Court, Cabinet officials, the diplomatic corps—all will have come. Television lights will flood the rostrum from which I will speak, providing added moment, a reminder that the audience will extend far beyond the Chamber to you, the American people, and indeed to much of the world.

In a moment I'd like to share with you

some thoughts about the agenda I'll outline to the 100th Congress on that historic night. But if you'll permit me, first I'd like you to join me in considering the State of the Union Address as an important American tradition, a tradition that on Tuesday night will represent the first great public event marking this the bicentennial year of our Constitution.

It's the Constitution itself—article II, section 3—that mandates the President to inform Congress regarding the state of the American Union and to recommend measures that he considers, in the Constitution's words, "necessary and expedient." President Washington appeared before Congress

personally each year to offer his account of national problems and prospects. In 1801 President Jefferson was eager to show how different America was from Britain, where Parliament was opened by the monarch, so he put the practice of appearing in person to an end, substituting instead a written message. Presidents continued to send Congress written messages for more than a century, until in 1913 Woodrow Wilson revived the practice of delivering the message in person. Since Franklin Roosevelt seized upon the idea with his customary relish, no President has missed the opportunity to present his proposals before Congress face-to-face.

But whether delivered in person or in writing, these annual messages represent one of our nation's basic historical texts—a body of writings that show our development from a fledgling Republic to a great bastion of freedom; that present our Presidents as individual men, struggling as best they could with the issues of their day; that in our time—our own time—provide continuity, a sense of the proud history that we as Americans have inherited.

In 198 Presidential messages to Congress certain themes reappear. National security—there is Washington's urging that the Republic remain strong; for, in his words, "To be prepared for war is one of the most effectual means of preserving peace." Economic growth—there is President Fillmore's satisfaction in 1852 at all that we as a free people had accomplished: "The population has almost quadrupled. Our boundaries have been extended. Our territory is checkered over with railroads and furrowed with canals." And then the great theme, the national experiment in human liberty—President Monroe wrote in his final message that "Our institutions form an impor-

tant epoch in the history of the civilized world." And in President Lincoln's second message, we read of America as "the last, best hope of Earth." Freedom, Lincoln stated, is a way that is "plain, peaceful, generous, just—a way which, if followed, the world will forever applaud, and God must forever bless."

On Tuesday night I'll follow the men who preceded me in office by addressing each of these themes. Of our national security, I will once again stress that no duty of the Federal Government is more important than the defense of this Republic. I will reassert the importance of the American virtues of boldness and innovation—virtues embodied in our Strategic Defense Initiative. In addressing economic matters, I will announce initiatives regarding jobs, education, and continued economic growth—measures designed to keep America competitive throughout the world and provide new jobs and opportunities here at home. And, yes, I will address the urgent need for the Federal Government to control its own spending and to do so permanently by amending the Constitution. And in speaking about the great theme liberty, I will state that our national experiment remains proud and successful. Now we must extend liberty to others, providing, in particular, steady and substantial aid to freedom fighters in Nicaragua and elsewhere around the globe.

All this we must do, I will argue, to live up to the best within ourselves and our history, to take our place beside those who have gone before in keeping this Republic "the last, best hope of Earth."

Thanks for listening, and until Tuesday night, God bless you.

Note: The President spoke at 12:06 p.m. from Camp David, MD.

Executive Order 12580—Superfund Implementation *January 23, 1987*

By the authority vested in me as President of the United States of America by Section 115 of the Comprehensive Environ-

mental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. 9615 *et seq.*) ("the Act"), and by Section 301

of Title 3 of the United States Code, it is hereby ordered as follows:

Section 1. National Contingency Plan.

(a)(1) The National Contingency Plan ("the NCP"), shall provide for a National Response Team ("the NRT") composed of representatives of appropriate Federal departments and agencies for national planning and coordination of preparedness and response actions, and regional response teams as the regional counterpart to the NRT for planning and coordination of regional preparedness and response actions.

(2) The following agencies (in addition to other appropriate agencies) shall provide representatives to the National and Regional Response Teams to carry out their responsibilities under the NCP: Department of State, Department of Defense, Department of Justice, Department of the Interior, Department of Agriculture, Department of Commerce, Department of Labor, Department of Health and Human Services, Department of Transportation, Department of Energy, Environmental Protection Agency, Federal Emergency Management Agency, United States Coast Guard, and the Nuclear Regulatory Commission.

(3) Except for periods of activation because of a response action, the representative of the Environmental Protection Agency ("EPA") shall be the chairman and the representative of the United States Coast Guard shall be the vice chairman of the NRT and these agencies' representatives shall be co-chairs of the Regional Response Teams ("the RRTs"). When the NRT or an RRT is activated for a response action, the chairman shall be the EPA or United States Coast Guard representative, based on whether the release or threatened release occurs in the inland or coastal zone, unless otherwise agreed upon by the EPA and United States Coast Guard representatives.

(4) The RRTs may include representatives from State governments, local governments (as agreed upon by the States), and Indian tribal governments. Subject to the functions and authorities delegated to Executive departments and agencies in other sections of this Order, the NRT shall provide policy and program direction to the RRTs.

(b)(1) The responsibility for the revision of the NCP and all of the other functions

vested in the President by Sections 105(a), (b), (c), and (g), 125, and 301(f) of the Act is delegated to the Administrator of the Environmental Protection Agency ("the Administrator").

(2) The function vested in the President by Section 118(p) of the Superfund Amendments and Reauthorization Act of 1986 (Public Law 99-499) ("SARA") is delegated to the Administrator.

(c) In accord with Section 107(f)(2)(A) of the Act and Section 311(f)(5) of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1321(f)(5)), the following shall be among those designated in the NCP as Federal trustees for natural resources:

- (1) Secretary of Defense;
- (2) Secretary of the Interior;
- (3) Secretary of Agriculture;
- (4) Secretary of Commerce;
- (5) Secretary of Energy.

(d) Revisions to the NCP shall be made in consultation with members of the NRT prior to publication for notice and comment. Revisions shall also be made in consultation with the Director of the Federal Emergency Management Agency and the Nuclear Regulatory Commission in order to avoid inconsistent or duplicative requirements in the emergency planning responsibilities of those agencies.

(e) All revisions to the NCP, whether in proposed or final form, shall be subject to review and approval by the Director of the Office of Management and Budget ("OMB").

Sec. 2. Response and Related Authorities.

(a) The functions vested in the President by the first sentence of Section 104(b)(1) of the Act relating to "illness, disease, or complaints thereof" are delegated to the Secretary of Health and Human Services who shall, in accord with Section 104(i) of the Act, perform those functions through the Public Health Service.

(b) The functions vested in the President by Sections 104(e)(7)(C), 113(k)(2), 119(c)(7), and 121(f)(1) of the Act, relating to promulgation of regulations and guidelines, are delegated to the Administrator, to be exercised in consultation with the NRT.

(c)(1) The functions vested in the President by Sections 104(a) and the second sen-

tence of 126(b) of the Act, to the extent they require permanent relocation of residents, businesses, and community facilities or temporary evacuation and housing of threatened individuals not otherwise provided for, are delegated to the Director of the Federal Emergency Management Agency.

(2) Subject to subsection (b) of this Section, the functions vested in the President by Sections 117(a) and (c), and 119 of the Act, to the extent such authority is needed to carry out the functions delegated under paragraph (1) of this subsection, are delegated to the Director of the Federal Emergency Management Agency.

(d) Subject to subsections (a), (b) and (c) of this Section, the functions vested in the President by Sections 104(a), (b) and (c)(4), 113(k), 117(a) and (c), 119, and 121 of the Act are delegated to the Secretaries of Defense and Energy, with respect to releases or threatened releases where either the release is on or the sole source of the release is from any facility or vessel under the jurisdiction, custody or control of their departments, respectively, including vessels bare-boat chartered and operated. These functions must be exercised consistent with the requirements of Section 120 of the Act.

(e)(1) Subject to subsections (a), (b), (c), and (d) of this Section, the functions vested in the President by Sections 104(a), (b), and (c)(4), and 121 of the Act are delegated to the heads of Executive departments and agencies, with respect to remedial actions for releases or threatened releases which are not on the National Priorities List ("the NPL") and removal actions other than emergencies, where either the release is on or the sole source of the release is from any facility or vessel under the jurisdiction, custody or control of those departments and agencies, including vessels bare-boat chartered and operated. The Administrator shall define the term "emergency", solely for the purposes of this subsection, either by regulation or by a memorandum of understanding with the head of an Executive department or agency.

(2) Subject to subsections (b), (c), and (d) of this Section, the functions vested in the President by Sections 104(b)(2), 113(k), 117(a) and (c), and 119 of the Act are dele-

gated to the heads of Executive departments and agencies, with respect to releases or threatened releases where either the release is on or the sole source of the release is from any facility or vessel under the jurisdiction, custody or control of those departments and agencies, including vessels bare-boat chartered and operated.

(f) Subject to subsections (a), (b), (c), (d), and (e) of this Section, the functions vested in the President by Sections 104(a), (b) and (c)(4), 113(k), 117(a) and (c), 119, and 121 of the Act are delegated to the Secretary of the Department in which the Coast Guard is operating ("the Coast Guard"), with respect to any release or threatened release involving the coastal zone, Great Lakes waters, ports, and harbors.

(g) Subject to subsections (a), (b), (c), (d), (e), and (f) of this Section, the functions vested in the President by Sections 101(24), 104(a), (b), (c)(4) and (c)(9), 113(k), 117(a) and (c), 119, 121, and 126(b) of the Act are delegated to the Administrator. The Administrator's authority under Section 119 of the Act is retroactive to the date of enactment of SARA.

(h) The functions vested in the President by Section 104(c)(3) of the Act are delegated to the Administrator, with respect to providing assurances for Indian tribes, to be exercised in consultation with the Secretary of the Interior.

(i) Subject to subsections (d), (e), (f), (g) and (h) of this Section, the functions vested in the President by Section 104(c) and (d) of the Act are delegated to the Coast Guard, the Secretary of Health and Human Services, the Director of the Federal Emergency Management Agency, and the Administrator in order to carry out the functions delegated to them by this Section.

(j)(1) The functions vested in the President by Section 104(e)(5)(A) are delegated to the heads of Executive departments and agencies, with respect to releases or threatened releases where either the release is on or the sole source of the release is from any facility or vessel under the jurisdiction, custody or control of those departments and agencies, to be exercised with the concurrence of the Attorney General.

(2) Subject to subsection (b) of this Section

and paragraph (1) of this subsection, the functions vested in the President by Section 104(e) are delegated to the heads of Executive departments and agencies in order to carry out their functions under this Order or the Act.

(k) The functions vested in the President by Sections 104(f), (g), (h), (i)(11), and (j) of the Act are delegated to the heads of Executive departments and agencies in order to carry out the functions delegated to them by this Section. The exercise of authority under Section 104(h) of the Act shall be subject to the approval of the Administrator of the Office of Federal Procurement Policy.

Sec. 3. Cleanup Schedules. (a) The functions vested in the President by Sections 116(a) and the first two sentences of 105(d) of the Act are delegated to the heads of Executive departments and agencies with respect to facilities under the jurisdiction, custody or control of those departments and agencies.

(b) Subject to subsection (a) of this Section, the functions vested in the President by Sections 116 and 105(d) are delegated to the Administrator.

Sec. 4. Enforcement. (a) The functions vested in the President by Sections 109(d) and 122(e) (3) (A) of the Act, relating to development of regulations and guidelines, are delegated to the Administrator, to be exercised in consultation with the Attorney General.

(b)(1) Subject to subsection (a) of this Section, the functions vested in the President by Section 122 (except subsection (b)(1)) are delegated to the heads of Executive departments and agencies, with respect to releases or threatened releases not on the NPL where either the release is on or the sole source of the release is from any facility under the jurisdiction, custody or control of those Executive departments and agencies. These functions may be exercised only with the concurrence of the Attorney General.

(2) Subject to subsection (a) of this Section, the functions vested in the President by Section 109 of the Act, relating to violations of Section 122 of the Act, are delegated to the heads of Executive departments and agencies, with respect to releases or threatened releases not on the NPL where

either the release is on or the sole source of the release is from any facility under the jurisdiction, custody or control of those Executive departments and agencies. These functions may be exercised only with the concurrence of the Attorney General.

(c)(1) Subject to subsection (a) and (b)(1) of this Section, the functions vested in the President by Sections 106(a) and 122 of the Act are delegated to the Coast Guard with respect to any release or threatened release involving the coastal zone, Great Lakes waters, ports, and harbors.

(2) Subject to subsection (a) and (b)(2) of this Section, the functions vested in the President by Section 109 of the Act, relating to violations of Sections 103(a) and (b), and 122 of the Act, are delegated to the Coast Guard with respect to any release or threatened release involving the coastal zone, Great Lakes waters, ports, and harbors.

(d)(1) Subject to subsections (a), (b)(1), and (c)(1) of this Section, the functions vested in the President by Sections 106 and 122 of the Act are delegated to the Administrator.

(2) Subject to subsections (a), (b)(2), and (c)(2) of this Section, the functions vested in the President by Section 109 of the Act, relating to violations of Sections 103 and 122 of the Act, are delegated to the Administrator.

(e) Notwithstanding any other provision of this Order, the authority under Sections 104(e)(5)(A) and 106(a) of the Act to seek information, entry, inspection, samples, or response actions from Executive departments and agencies may be exercised only with the concurrence of the Attorney General.

Sec. 5. Liability. (a) The function vested in the President by Section 107(c)(1)(C) of the Act is delegated to the Secretary of Transportation.

(b) The functions vested in the President by Section 107(c)(3) of the Act are delegated to the Coast Guard with respect to any release or threatened release involving the coastal zone, Great Lakes waters, ports, and harbors.

(c) Subject to subsection (b) of this Section, the functions vested in the President by Section 107(c)(3) of the Act are delegat-

ed to the Administrator.

(d) The functions vested in the President by Section 107(f)(1) of the Act are delegated to each of the Federal trustees for natural resources designated in the NCP for resources under their trusteeship.

(e) The functions vested in the President by Section 107(f)(2)(B) of the Act, to receive notification of the state natural resource trustee designations, are delegated to the Administrator.

Sec. 6. Litigation. (a) Notwithstanding any other provision of this Order, any representation pursuant to or under this Order in any judicial proceeding shall be by or through the Attorney General. The conduct and control of all litigation arising under the Act shall be the responsibility of the Attorney General.

(b) Notwithstanding any other provision of this Order, the authority under the Act to require the Attorney General to commence litigation is retained by the President.

(c) The functions vested in the President by Section 113(g) of the Act, to receive notification of a natural resource trustee's intent to file suit, are delegated to the heads of Executive departments and agencies with respect to response actions for which they have been delegated authority under Section 2 of this Order. The Administrator shall promulgate procedural regulations for providing such notification.

(d) The functions vested in the President by Sections 310 (d) and (e) of the Act, relating to promulgation of regulations, are delegated to the Administrator.

Sec. 7. Financial Responsibility. (a) The functions vested in the President by Section 107(k)(4)(B) of the Act are delegated to the Secretary of the Treasury. The Administrator will provide the Secretary with such technical information and assistance as the Administrator may have available.

(b)(1) The functions vested in the President by Section 108(a)(1) of the Act are delegated to the Coast Guard.

(2) Subject to Section 4(a) of this Order, the functions vested in the President by Section 109 of the Act, relating to violations of Section 108(a)(1) of the Act, are delegated to the Coast Guard.

(c)(1) The functions vested in the Presi-

dent by Section 108(b) of the Act are delegated to the Secretary of Transportation with respect to all transportation related facilities, including any pipeline, motor vehicle, rolling stock, or aircraft.

(2) Subject to Section 4(a) of this Order, the functions vested in the President by Section 109 of the Act, relating to violations of Section 108(a)(3) of the Act, are delegated to the Secretary of Transportation.

(3) Subject to Section 4(a) of this Order, the functions vested in the President by Section 109 of the Act, relating to violations of Section 108(b) of the Act, are delegated to the Secretary of Transportation with respect to all transportation related facilities, including any pipeline, motor vehicle, rolling stock, or aircraft.

(d)(1) Subject to subsection (c)(1) of this Section, the functions vested in the President by Section 108(a)(4) and (b) of the Act are delegated to the Administrator.

(2) Subject to Section 4(a) of this Order and subsection (c)(3) of this Section, the functions vested in the President by Section 109 of the Act, relating to violations of Section 108(a)(4) and (b) of the Act, are delegated to the Administrator.

Sec. 8. Employee Protection and Notice to Injured. (a) The functions vested in the President by Section 110(e) of the Act are delegated to the Administrator.

(b) The functions vested in the President by Section 111(g) of the Act are delegated to the Secretaries of Defense and Energy with respect to releases from facilities or vessels under the jurisdiction, custody or control of their departments, respectively, including vessels bare-boat chartered and operated.

(c) Subject to subsection (b) of this Section, the functions vested in the President by Section 111(g) of the Act are delegated to the Administrator.

Sec. 9. Management of the Hazardous Substance Superfund and Claims. (a) The functions vested in the President by Section 111(a) of the Act are delegated to the Administrator, subject to the provisions of this Section and other applicable provisions of this Order.

(b) The Administrator shall transfer to other agencies, from the Hazardous Sub-

stance Superfund out of sums appropriated, such amounts as the Administrator may determine necessary to carry out the purposes of the Act. These amounts shall be consistent with the President's Budget, within the total approved by the Congress, unless a revised amount is approved by OMB. Funds appropriated specifically for the Agency for Toxic Substances and Disease Registry ("ATSDR"), shall be directly transferred to ATSDR, consistent with fiscally responsible investment of trust fund money.

(c) The Administrator shall chair a budget task force composed of representatives of Executive departments and agencies having responsibilities under this Order or the Act. The Administrator shall also, as part of the budget request for the Environmental Protection Agency, submit to OMB a budget for the Hazardous Substance Superfund which is based on recommended levels developed by the budget task force. The Administrator may prescribe reporting and other forms, procedures, and guidelines to be used by the agencies of the Task Force in preparing the budget request, consistent with budgetary reporting requirements issued by OMB. The Administrator shall prescribe forms to agency task force members for reporting the expenditure of funds on a site specific basis.

(d) The Administrator and each department and agency head to whom funds are provided pursuant to this Section, with respect to funds provided to them, are authorized in accordance with Section 111(f) of the Act to designate Federal officials who may obligate such funds.

(e) The functions vested in the President by Section 112 of the Act are delegated to the Administrator for all claims presented pursuant to Section 111 of the Act.

(f) The functions vested in the President by Section 111(o) of the Act are delegated to the Administrator.

(g) The functions vested in the President by Section 117(e) of the Act are delegated to the Administrator, to be exercised in consultation with the Attorney General.

(h) The functions vested in the President by Section 123 of the Act are delegated to the Administrator.

(i) Funds from the Hazardous Substance Superfund may be used, at the discretion of

the Administrator or the Coast Guard, to pay for removal actions for releases or threatened releases from facilities or vessels under the jurisdiction, custody or control of Executive departments and agencies but must be reimbursed to the Hazardous Substance Superfund by such Executive department or agency.

Sec. 10. Federal Facilities. (a) When necessary, prior to selection of a remedial action by the Administrator under Section 120(e)(4)(A) of the Act, Executive agencies shall have the opportunity to present their views to the Administrator after using the procedures under Section 1-6 of Executive Order No. 12088 of October 13, 1978, or any other mutually acceptable process. Notwithstanding subsection 1-602 of Executive Order No. 12088, the Director of the Office of Management and Budget shall facilitate resolution of any issues.

(b) Executive Order No. 12088 of October 13, 1978, is amended by renumbering the current Section 1-802 as Section 1-803 and inserting the following new Section 1-802:

"1-802. Nothing in this Order shall create any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, or any person."

Sec. 11. General Provisions. (a) The function vested in the President by Section 101 (37) of the Act is delegated to the Administrator.

(b)(1) The function vested in the President by Section 105(f) of the Act, relating to reporting on minority participation in contracts, is delegated to the Administrator.

(2) Subject to paragraph 1 of this subsection, the functions vested in the President by Section 105(f) of the Act are delegated to the heads of Executive departments and agencies in order to carry out the functions delegated to them by this Order. Each Executive department and agency shall provide to the Administrator any requested information on minority contracting for inclusion in the Section 105(f) annual report.

(c) The functions vested in the President by Section 126(c) of the Act are delegated to the Administrator, to be exercised in consultation with the Secretary of the Interior.

(d) The functions vested in the President by Section 301(c) of the Act are delegated to the Secretary of the Interior.

(e) Each agency shall have authority to issue such regulations as may be necessary to carry out the functions delegated to them by this Order.

(f) The performance of any function under this Order shall be done in consultation with interested Federal departments and agencies represented on the NRT, as well as with any other interested Federal agency.

(g) The following functions vested in the President by the Act which have been delegated or assigned by this Order may be redelegated to the head of any Executive

department or agency with his consent: functions set forth in Sections 2 (except subsection (b)), 3, 4(b), 4(c), 4(d), 5(b), 5(c), and 8(c) of this Order.

(h) Executive Order No. 12316 of August 14, 1981, is revoked.

RONALD REAGAN

The White House,
January 23, 1987.

[Filed with the Office of the Federal Register, 2:35 p.m., January 27, 1987]

Note: The Executive order was released by the Office of the Press Secretary on January 26.

Statement on the Resumption of the Conference on Security and Cooperation in Europe *January 26, 1987*

The followup meeting of the Conference on Security and Cooperation in Europe (CSCE) resumes its important work tomorrow in Vienna. It is charged with taking stock of developments in the "Helsinki process" and with charting the path ahead. The United States has worked energetically and in concert with our NATO allies to support full implementation of the Helsinki Final Act. All CSCE states must fulfill their commitments if we are to realize the promise of a more secure peace with respect for human rights and with greater cooperation among all the peoples of Europe and North America.

Progress has been achieved in some areas, but the human rights situation within the Soviet Union and other nations of Eastern Europe remains tragic. The resolution of some prominent individual cases is welcome, and we hope it will continue. However, sporadic gestures must be expanded into universal practice. Our attention must not be diverted from the severe abuses of human rights that persist. During the last round of the Vienna meeting, the United

States and other allied delegations documented in detail failures by the Soviet Union and its Warsaw Pact allies to keep their Helsinki promises, particularly on human rights.

Looking ahead, the United States continues to believe that the credibility of the CSCE process depends on fulfillment of commitments already undertaken. We seek signs that the East is prepared to take actions—and not just offer words—to solve such problems as the treatment of Helsinki monitors and other political prisoners, divided families and spouses, persecution of religious believers, denial of the right of emigration, and radio jamming. Significant progress on these issues would establish the basis for a constructive and balanced outcome at Vienna. Such an outcome would not only give renewed impetus to the Helsinki process but also mark a welcomed step forward in overall East-West relations. I have instructed Ambassador Warren Zimmermann, Chairman of the United States delegation, to work toward these important goals.

Statement on the Kidnapings of United States Citizens in Lebanon *January 26, 1987*

All Americans, I know, share my outrage at the latest kidnappings of our citizens in Lebanon. Not only Americans but more than 20 citizens from 9 countries are now being held by terrorist groups there. Today my sympathy goes out to the friends and relatives of all these hostages. The terrorists appear to believe that by trafficking in human lives they can force sovereign governments to give in to their demands. But our government will not make concessions to terrorist groups despite their threats. For to give in to terrorist blackmail would only encourage more terrorism; to yield to their demands now would only endanger the lives of many others later.

I would like to add a special word to Americans in Lebanon. Where U.S. citizens are unjustly deprived of their God-given rights, the U.S. Government has an obligation to try to restore those rights. But there is a limit to what our government can do for Americans in a chaotic situation such as that in Lebanon today. In particular, the situation in West Beirut has deteriorated to total anarchy, with armed criminal groups taking the law into their own hands. For the past 12 years our government has regularly warned American citizens against

travel to Lebanon. As recently as last Tuesday we reiterated our assessment that the situation there is "extremely dangerous." The events of the past week provide striking confirmation of that assessment. Americans who ignored this warning clearly did so at their own risk and on their own responsibility. This weekend the U.S. Ambassador to Lebanon again was in contact with remaining Americans and advised them to leave.

Those who hold hostages, regardless of nationality, should release them immediately and unconditionally. Their acts of terror constitute a declaration of war on civilized society. I again join with civilized countries in condemnation of terrorist outrages. In conclusion, let me stress again that our government remains unrelenting and alert in its search for opportunities to secure the release of our citizens no matter how long that may take.

Note: On January 24th, Robert Polhill, Alann Steen, Jesse Turner, and Mithileshwar Singh, who were professors at Beirut University College, were abducted by terrorists. Mr. Singh, who had permanent resident status in the United States, was released by his captors on October 3, 1988.

Nomination of Alfred Hugh Kingon To Be United States Representative to the European Communities, With the Rank of Ambassador *January 26, 1987*

The President today announced his intention to nominate Alfred Hugh Kingon, of New York, as the Representative of the United States of America to the European Communities, with the rank and status of Ambassador Extraordinary and Plenipotentiary. He succeeds J. William Middendorf II.

Since 1985 Mr. Kingon has been an Assistant to the President and Secretary of the Cabinet. Previously, he was Assistant Secre-

tary of the Treasury for Policy Planning and Communications, 1984; Assistant Secretary of Commerce for International Economic Policy, 1983-1984; a member of the executive committee of the President's Private Sector Survey for Cost Control, 1983-1984; and a member of the President's National Productivity Advisory Committee, 1982-1983. Mr. Kingon was with Macro Communications, Inc., in New York City, serving as

Address Before a Joint Session of Congress on the State of the Union January 27, 1987

Mr. Speaker, Mr. President, distinguished Members of Congress, honored guests, and fellow citizens:

May I congratulate all of you who are Members of this historic 100th Congress of the United States of America. In this 200th anniversary year of our Constitution, you and I stand on the shoulders of giants—men whose words and deeds put wind in the sails of freedom. However, we must always remember that our Constitution is to be celebrated not for being old, but for being young—young with the same energy, spirit, and promise that filled each eventful day in Philadelphia's statehouse. We will be guided tonight by their acts, and we will be guided forever by their words.

Now, forgive me, but I can't resist sharing a story from those historic days. Philadelphia was bursting with civic pride in the spring of 1787, and its newspapers began embellishing the arrival of the Convention delegates with elaborate social classifications. Governors of States were called Excellency. Justices and Chancellors had reserved for them honorable with a capital "H." For Congressmen, it was honorable with a small "h." And all others were referred to as "the following respectable characters." [Laughter] Well, for this 100th Congress, I invoke special executive powers to declare that each of you must never be titled less than honorable with a capital "H." Incidentally, I'm delighted you are celebrating the 100th birthday of the Congress. It's always a pleasure to congratulate someone with more birthdays than I've had. [Laughter]

Now, there's a new face at this place of honor tonight. And please join me in warm congratulations to the Speaker of the House, Jim Wright. [Applause] Mr. Speaker, you might recall a similar situation in your very first session of Congress 32 years ago. Then, as now, the speakership had changed hands and another great son of Texas, Sam Rayburn—"Mr. Sam"—sat in your chair. I cannot find better words than those used by President Eisenhower that evening. He

said, "We shall have much to do together; I am sure that we will get it done and that we shall do it in harmony and good will." Tonight I renew that pledge. To you, Mr. Speaker, and to Senate Majority Leader Robert Byrd, who brings 34 years of distinguished service to the Congress, may I say: Though there are changes in the Congress, America's interests remain the same. And I am confident that, along with Republican leaders Bob Michel and Bob Dole, this Congress can make history.

Six years ago I was here to ask the Congress to join me in America's new beginning. Well, the results are something of which we can all be proud. Our inflation rate is now the lowest in a quarter of a century. The prime interest rate has fallen from the 21½ percent the month before we took office to 7½ percent today. And those rates have triggered the most housing starts in 8 years. The unemployment rate—still too high—is the lowest in nearly 7 years, and our people have created nearly 13 million new jobs. Over 61 percent of everyone over the age of 16, male and female, is employed—the highest percentage on record. Let's roll up our sleeves and go to work and put America's economic engine at full throttle. We can also be heartened by our progress across the world. Most important, America is at peace tonight, and freedom is on the march. And we've done much these past years to restore our defenses, our alliances, and our leadership in the world. Our sons and daughters in the services once again wear their uniforms with pride.

But though we've made much progress, I have one major regret: I took a risk with regard to our action in Iran. It did not work, and for that I assume full responsibility. The goals were worthy. I do not believe it was wrong to try to establish contacts with a country of strategic importance or to try to save lives. And certainly it was not wrong to try to secure freedom for our citizens held in barbaric captivity. But we did not achieve what we wished, and serious

mistakes were made in trying to do so. We will get to the bottom of this, and I will take whatever action is called for. But in debating the past, we must not deny ourselves the successes of the future. Let it never be said of this generation of Americans that we became so obsessed with failure that we refused to take risks that could further the cause of peace and freedom in the world. Much is at stake here, and the Nation and the world are watching to see if we go forward together in the national interest or if we let partisanship weaken us. And let there be no mistake about American policy: We will not sit idly by if our interests or our friends in the Middle East are threatened, nor will we yield to terrorist blackmail.

And now, ladies and gentlemen of the Congress, why don't we get to work? I am pleased to report that because of our efforts to rebuild the strength of America, the world is a safer place. Earlier this month I submitted a budget to defend America and maintain our momentum to make up for neglect in the last decade. Well, I ask you to vote out a defense and foreign affairs budget that says yes to protecting our country. While the world is safer, it is not safe.

Since 1970 the Soviets have invested \$500 billion more on their military forces than we have. Even today, though nearly 1 in 3 Soviet families is without running hot water and the average family spends 2 hours a day shopping for the basic necessities of life, their government still found the resources to transfer \$75 billion in weapons to client states in the past 5 years—clients like Syria, Vietnam, Cuba, Libya, Angola, Ethiopia, Afghanistan, and Nicaragua. With 120,000 Soviet combat and military personnel and 15,000 military advisers in Asia, Africa, and Latin America, can anyone still doubt their single-minded determination to expand their power? Despite this, the Congress cut my request for critical U.S. security assistance to free nations by 21 percent this year, and cut defense requests by \$85 billion in the last 3 years.

These assistance programs serve our national interests as well as mutual interests. And when the programs are devastated, American interests are harmed. My friends, it's my duty as President to say to you again

tonight that there is no surer way to lose freedom than to lose our resolve. Today the brave people of Afghanistan are showing that resolve. The Soviet Union says it wants a peaceful settlement in Afghanistan, yet it continues a brutal war and props up a regime whose days are clearly numbered. We are ready to support a political solution that guarantees the rapid withdrawal of all Soviet troops and genuine self-determination for the Afghan people.

In Central America, too, the cause of freedom is being tested. And our resolve is being tested there as well. Here, especially, the world is watching to see how this nation responds. Today over 90 percent of the people of Latin America live in democracy. Democracy is on the march in Central and South America. Communist Nicaragua is the odd man out—suppressing the church, the press, and democratic dissent and promoting subversion in the region. We support diplomatic efforts, but these efforts can never succeed if the Sandinistas win their war against the Nicaraguan people.

Our commitment to a Western Hemisphere safe from aggression did not occur by spontaneous generation on the day that we took office. It began with the Monroe Doctrine in 1823 and continues our historic bipartisan American policy. Franklin Roosevelt said we "are determined to do everything possible to maintain peace on this hemisphere." President Truman was very blunt: "International communism seeks to crush and undermine and destroy the independence of the Americas. We cannot let that happen here." And John F. Kennedy made clear that "Communist domination in this hemisphere can never be negotiated." Some in this Congress may choose to depart from this historic commitment, but I will not.

This year we celebrate the second century of our Constitution. The Sandinistas just signed theirs 2 weeks ago, and then suspended it. We won't know how my words tonight will be reported there for one simple reason: There is no free press in Nicaragua. Nicaraguan freedom fighters have never asked us to wage their battle, but I will fight any effort to shut off their lifeblood and consign them to death, defeat,

or a life without freedom. There must be no Soviet beachhead in Central America.

You know, we Americans have always preferred dialog to conflict, and so, we always remain open to more constructive relations with the Soviet Union. But more responsible Soviet conduct around the world is a key element of the U.S.-Soviet agenda. Progress is also required on the other items of our agenda as well—real respect for human rights and more open contacts between our societies and, of course, arms reduction.

In Iceland, last October, we had one moment of opportunity that the Soviets dashed because they sought to cripple our Strategic Defense Initiative, SDI. I wouldn't let them do it then; I won't let them do it now or in the future. This is the most positive and promising defense program we have undertaken. It's the path, for both sides, to a safer future—a system that defends human life instead of threatening it. SDI will go forward. The United States has made serious, fair, and far-reaching proposals to the Soviet Union, and this is a moment of rare opportunity for arms reduction. But I will need, and American negotiators in Geneva will need, Congress' support. Enacting the Soviet negotiating position into American law would not be the way to win a good agreement. So, I must tell you in this Congress I will veto any effort that undercuts our national security and our negotiating leverage.

Now, today, we also find ourselves engaged in expanding peaceful commerce across the world. We will work to expand our opportunities in international markets through the Uruguay round of trade negotiations and to complete an historic free trade arrangement between the world's two largest trading partners, Canada and the United States. Our basic trade policy remains the same: We remain opposed as ever to protectionism, because America's growth and future depend on trade. But we would insist on trade that is fair and free. We are always willing to be trade partners but never trade patsies.

Now, from foreign borders let us return to our own, because America in the world is only as strong as America at home. This 100th Congress has high responsibilities. I

begin with a gentle reminder that many of these are simply the incomplete obligations of the past. The American people deserve to be impatient, because we do not yet have the public house in order. We've had great success in restoring our economic integrity, and we've rescued our nation from the worst economic mess since the Depression. But there's more to do. For starters, the Federal deficit is outrageous. For years I've asked that we stop pushing onto our children the excesses of our government. And what the Congress finally needs to do is pass a constitutional amendment that mandates a balanced budget and forces government to live within its means. States, cities, and the families of America balance their budgets. Why can't we?

Next, the budget process is a sorry spectacle. The missing of deadlines and the nightmare of monstrous continuing resolutions packing hundreds of billions of dollars of spending into one bill must be stopped. We ask the Congress once again: Give us the same tool that 43 Governors have—a line-item veto so we can carve out the boondoggles and pork, those items that would never survive on their own. I will send the Congress broad recommendations on the budget, but first I'd like to see yours. Let's go to work and get this done together.

But now let's talk about this year's budget. Even though I have submitted it within the Gramm-Rudman-Hollings deficit reduction target, I have seen suggestions that we might postpone that timetable. Well, I think the American people are tired of hearing the same old excuses. Together we made a commitment to balance the budget. Now let's keep it. As for those suggestions that the answer is higher taxes, the American people have repeatedly rejected that shop-worn advice. They know that we don't have deficits because people are taxed too little. We have deficits because big government spends too much.

Now, next month I'll place two additional reforms before the Congress. We've created a welfare monster that is a shocking indictment of our sense of priorities. Our national welfare system consists of some 59 major programs and over 6,000 pages of Federal laws and regulations on which more than

\$132 billion was spent in 1985. I will propose a new national welfare strategy, a program of welfare reform through State-sponsored, community-based demonstration projects. This is the time to reform this outmoded social dinosaur and finally break the poverty trap. Now, we will never abandon those who, through no fault of their own, must have our help. But let us work to see how many can be freed from the dependency of welfare and made self-supporting, which the great majority of welfare recipients want more than anything else. Next, let us remove a financial specter facing our older Americans: the fear of an illness so expensive that it can result in having to make an intolerable choice between bankruptcy and death. I will submit legislation shortly to help free the elderly from the fear of catastrophic illness.

Now let's turn to the future. It's widely said that America is losing her competitive edge. Well, that won't happen if we act now. How well prepared are we to enter the 21st century? In my lifetime, America set the standard for the world. It is now time to determine that we should enter the next century having achieved a level of excellence unsurpassed in history. We will achieve this, first, by guaranteeing that government does everything possible to promote America's ability to compete. Second, we must act as individuals in a quest for excellence that will not be measured by new proposals or billions in new funding. Rather, it involves an expenditure of American spirit and just plain American grit. The Congress will soon receive my comprehensive proposals to enhance our competitiveness, including new science and technology centers and strong new funding for basic research. The bill will include legal and regulatory reforms and weapons to fight unfair trade practices. Competitiveness also means giving our farmers a shot at participating fairly and fully in a changing world market.

Preparing for the future must begin, as always, with our children. We need to set for them new and more rigorous goals. We must demand more of ourselves and our children by raising literacy levels dramatically by the year 2000. Our children should master the basic concepts of math and science, and let's insist that students not leave

high school until they have studied and understood the basic documents of our national heritage. There's one more thing we can't let up on: Let's redouble our personal efforts to provide for every child a safe and drug-free learning environment. If our crusade against drugs succeeds with our children, we will defeat that scourge all over the country.

Finally, let's stop suppressing the spiritual core of our national being. Our nation could not have been conceived without divine help. Why is it that we can build a nation with our prayers, but we can't use a schoolroom for voluntary prayer? The 100th Congress of the United States should be remembered as the one that ended the expulsion of God from America's classrooms.

The quest for excellence into the 21st century begins in the schoolroom but must go next to the workplace. More than 20 million new jobs will be created before the new century unfolds, and by then, our economy should be able to provide a job for everyone who wants to work. We must also enable our workers to adapt to the rapidly changing nature of the workplace. And I will propose substantial, new Federal commitments keyed to retraining and job mobility.

Over the next few weeks, I'll be sending the Congress a complete series of these special messages—on budget reform, welfare reform, competitiveness, including education, trade, worker training and assistance, agriculture, and other subjects. The Congress can give us these tools, but to make these tools work, it really comes down to just being our best. And that is the core of American greatness. The responsibility of freedom presses us towards higher knowledge and, I believe, moral and spiritual greatness. Through lower taxes and smaller government, government has its ways of freeing people's spirits. But only we, each of us, can let the spirit soar against our own individual standards. Excellence is what makes freedom ring. And isn't that what we do best?

We're entering our third century now, but it's wrong to judge our nation by its years. The calendar can't measure America because we were meant to be an endless

experiment in freedom—with no limit to our reaches, no boundaries to what we can do, no end point to our hopes. The United States Constitution is the impassioned and inspired vehicle by which we travel through history. It grew out of the most fundamental inspiration of our existence: that we are here to serve Him by living free—that living free releases in us the noblest of impulses and the best of our abilities; that we would use these gifts for good and generous purposes and would secure them not just for ourselves and for our children but for all mankind.

Over the years—I won't count if you don't—nothing has been so heartwarming to me as speaking to America's young, and the little ones especially, so fresh-faced and so eager to know. Well, from time to time I've been with them—they will ask about our Constitution. And I hope you Members of Congress will not deem this a breach of protocol if you'll permit me to share these thoughts again with the young people who might be listening or watching this evening. I've read the constitutions of a number of countries, including the Soviet Union's. Now, some people are surprised to hear that they have a constitution, and it even supposedly grants a number of freedoms to its people. Many countries have written into their constitution provisions for freedom of speech and freedom of assembly. Well, if this is true, why is the Constitution of the United States so exceptional?

Well, the difference is so small that it almost escapes you, but it's so great it tells you the whole story in just three words: We the people. In those other constitutions, the Government tells the people of those countries what they're allowed to do. In our Constitution, we the people tell the Government what it can do, and it can do only those things listed in that document and no others. Virtually every other revolution in history has just exchanged one set of rulers for another set of rulers. Our revolution is the first to say the people are the masters and government is their servant. And you young people out there, don't ever forget that. Someday you could be in this room, but wherever you are, America is depending on you to reach your highest and be your best—because here in America, we the

people are in charge.

Just three words: We the people—those are the kids on Christmas Day looking out from a frozen sentry post on the 38th parallel in Korea or aboard an aircraft carrier in the Mediterranean. A million miles from home, but doing their duty.

We the people—those are the warmhearted whose numbers we can't begin to count, who'll begin the day with a little prayer for hostages they will never know and MIA families they will never meet. Why? Because that's the way we are, this unique breed we call Americans.

We the people—they're farmers on tough times, but who never stop feeding a hungry world. They're the volunteers at the hospital choking back their tears for the hundredth time, caring for a baby struggling for life because of a mother who used drugs. And you'll forgive me a special memory—it's a million mothers like Nelle Reagan who never knew a stranger or turned a hungry person away from her kitchen door.

We the people—they refute last week's television commentary downgrading our optimism and our idealism. They are the entrepreneurs, the builders, the pioneers, and a lot of regular folks—the true heroes of our land who make up the most uncommon nation of doers in history. You know they're Americans because their spirit is as big as the universe and their hearts are bigger than their spirits.

We the people—starting the third century of a dream and standing up to some cynic who's trying to tell us we're not going to get any better. Are we at the end? Well, I can't tell it any better than the real thing—a story recorded by James Madison from the final moments of the Constitutional Convention, September 17th, 1787. As the last few members signed the document, Benjamin Franklin—the oldest delegate at 81 years and in frail health—looked over toward the chair where George Washington daily presided. At the back of the chair was painted the picture of a Sun on the horizon. And turning to those sitting next to him, Franklin observed that artists found it difficult in their painting to distinguish between a rising and a setting Sun.

Well, I know if we were there, we could see those delegates sitting around Franklin—leaning in to listen more closely to him. And then Dr. Franklin began to share his deepest hopes and fears about the outcome of their efforts, and this is what he said: “I have often looked at that picture behind the President without being able to tell whether it was a rising or setting Sun: But now at length I have the happiness to know that it is a rising and not a setting Sun.” Well, you can bet it’s rising because,

my fellow citizens, America isn’t finished. Her best days have just begun.

Thank you, God bless you, and God bless America.

Note: The President spoke at 9:03 p.m. in the House Chamber of the Capitol. He was introduced by Jim Wright, Speaker of the House of Representatives. The address was broadcast live on nationwide radio and television.

Message to the Congress on “A Quest for Excellence” January 27, 1987

To the Congress of the United States:

I. INTRODUCTION

Tonight, I have come personally before the Congress to report on the State of our Union and outline how we can meet the goal of renewing the American spirit—a spirit of excellence. To achieve this, I have asked all Americans to commence a new Quest for Excellence that will produce the third great American century. I said about America: her best days have just begun.

This message—*A Quest for Excellence*—spells out in greater detail how we as a nation can successfully meet the challenge of that century.

II. PREPARING FOR THE CHALLENGES AND OPPORTUNITIES OF THE TWENTY-FIRST CENTURY

Meeting the Competitive Challenge

America’s competitiveness in world markets is critical to maintaining and expanding our standard of living and the national security. I have established a national goal of assuring American competitive pre-eminence into the 21st century. Achieving that goal is the responsibility of all Americans.

Businesses must work more efficiently, setting high standards of quality, streamlining operations, discarding outmoded systems and management styles, adapting to change, and building on their tradition as entrepreneurs who saw a better way, had a

better idea, worked a little harder. Workers must be enabled to reach their potential by taking advantage of new technologies and investing in education, training, self-improvement, and a pride in their work. Families, in concert with State and local governments, have the greatest responsibility of all—creating an educational environment that can make our children productive citizens, able to achieve the best both spiritually and materially. We must strive for excellence in education.

To fulfill the Federal Government’s responsibilities, I am launching a six-part program aimed at:

1. Increasing investment in human and intellectual capital;
2. Promoting the development of science and technology;
3. Better protecting intellectual property;
4. Enacting essential legal and regulatory reforms;
5. Shaping the international economic environment; and
6. Eliminating the Federal budget deficit.

Increasing Investment in Human Capital

The National Commission on Excellence in Education concluded in its report, *A Nation at Risk*, that “our once unchallenged pre-eminence in commerce, industry, science, and technological innovation is being overtaken by competitors throughout the world. . . . If an unfriendly foreign

power had attempted to impose on America the mediocre educational performance that exists today, we might well have viewed it as an act of war."

Much progress has been made since the Commission's report, but much remains to be done:

- Forty percent of thirteen year olds are reading below the skill level for their age;

- Only 75 percent of high school students graduate on time;

- SAT scores are considerably below where they were in the 1960s.

In order to correct this situation, our society must continue the reforms sparked by the National Commission's report and focus education, particularly in the elementary and secondary schools, on acquiring the basic skills that will be necessary for jobs and careers in the 21st century. We must teach our children to read, write, and compute in the early grades. By the time of graduation from high school, at a minimum the students should have:

- four years of English;

- three years of mathematics;

- three years of science;

- three years of social science; and

- proficiency in the use of computers.

I am charging the Secretary of Education with continuing to work with our Nation's governors to identify what works in American education and to seek out places of educational excellence that will serve as national models.

In addition, our colleges and universities should adopt more rigorous standards and higher expectations for academic and student conduct. Our teacher preparation curricula should shift from heavy emphasis on technique to subject matter mastery, and schools overall should do more to help parents form the character of their children. State and local governments also should consider extending the school year, as well as making better use of the time spent in school.

In addition, so that no one is left behind, we must renew our efforts and refocus our resources to help disadvantaged youth to enter the mainstream of our society. The Department of Education will be developing and publishing a *What Works* on the education of the disadvantaged. Further-

more, my Administration is proposing reauthorization of Chapters 1 and 2 of the Education Consolidation and Improvement Act (ECIA) and targeting resources on the neediest schools and youngsters; fostering greater innovation, experimentation, and parental choice; building accountability into the program; and providing incentives and rewards for success.

To assure that every American—no matter what age—learns to speak, read, and write English so as to be able to fully participate in our society and take advantage of the opportunities it affords, I am announcing a goal of raising literacy levels dramatically by the year 2000. In addition, we will be submitting proposals to reform bilingual education, allowing greater flexibility and innovation in federally funded bilingual education programs.

Promoting flexible job skills and greater work force mobility is also an important part of competitiveness. We will be proposing a new program to help all workers who are displaced by adverse economic factors, such as rural economic problems, technological changes at the workplace, or increased imports. This \$1 billion program, combining the best elements of the current Trade Adjustment Assistance (TAA) and Job Training Partnership Act (JTPA) programs, will help an estimated 700,000 additional workers each year to adjust to change, learn new skills, or update old ones through retraining and counseling programs developed under the guidance of local private industry councils (PICs). It will also provide incentives for early return to the work force to lessen the burden on our unemployment insurance program.

In addition, we will be proposing necessary legislative changes in the administration of our Employment Service (ES) and Unemployment Insurance (UI) programs. These changes will give States greater flexibility in developing comprehensive approaches to target human capital problems. Specifically, we will ask that we amend our UI laws to devolve the financing, operation, and administration of these programs to the States, and that we amend the Wagner-Peyser Act to enhance State capability in designing and administering community

labor exchange services.

Equally as important as helping dislocated workers to adjust to new demands of an increasingly global market is assuring that economically disadvantaged youth are not forgotten. We must assure that they are given the help and opportunities to acquire skills to make them productive citizens in an America that will critically need their talents.

My Administration is proposing an \$800 million youth initiative targeted towards improving the skills of children in welfare families. This program would permit States and localities to use Federal funds to provide summer jobs, develop year-round remedial education and job training services, or a mixture of both. In addition, we will propose a new employment and training effort under the AFDC program: Greater Opportunities through Work (GROW). This program will encourage teenage parents and other young recipients of AFDC assistance who do not have a high school education to either stay in or return to school. Services under these programs could include remedial education and skills training that would help these young people break out of the welfare cycle and move towards real opportunities for rewarding careers and jobs.

Finally, I have asked the Secretary of Labor to initiate a study of the private pension system to see how it could be improved to reduce barriers to greater mobility in the U.S. work force. In addition, to enhance the effectiveness of the private pension system in providing retirement income security to American workers, my Administration will propose statutory changes to the Employee Retirement Income Security Act (ERISA) to make it more flexible in dealing with overfunded pension plans while requiring employers to take needed steps to strengthen underfunded plans.

Promoting the Development of Science and Technology

Science and technology are fundamental to U.S. competitiveness. America's pre-eminence in research and innovation has long been the envy of the world and a critical source of our national strength. Break-

throughs by Americans in such areas as medicine and transportation have consistently set the pace for an improved standard of living around the world, and American developments in communications, space, and even entertainment have captured the imagination of successive generations, setting benchmarks for American excellence in the years to come.

But, we must recognize that our trading partners, in their desire to improve their standards of living and market share, are catching up. We must ensure that adequate incentives are in place that will not only maintain our pre-eminence in initiating ideas and know-how, but also our lead in setting the pace at which these are translated into new products and processes.

Our policies must serve three broad objectives:

1. Generating new knowledge in the sciences and advanced technology;
2. Swiftly transferring technologies to the marketplace; and
3. Expanding the Nation's talent base in science and technology fields.

We will initiate a number of measures to achieve these objectives. I am proposing that we double over 5 years the budget of the National Science Foundation. My Administration will establish a number of new government-private "science and technology centers" based at U.S. universities. These centers will focus on fundamental science that has the potential to contribute to our Nation's economic competitiveness, including areas such as robotics for automated manufacturing and micro electronics, new materials processing, and biotechnology.

I am directing the Departments of Agriculture, Commerce, Energy, and Health and Human Services and the National Aeronautics and Space Administration to initiate a "Technology Share" program involving multi-year, joint basic and applied research with consortia of U.S. firms and universities.

We also will initiate a "People-to-People" exchange program in which scientists and engineers from Federal laboratories and the private sector will be encouraged to make their expertise available to each other through temporary assignment exchanges.

In addition to improved access to the

know-how of our Federal scientists, the U.S. private sector must be encouraged to take advantage of our Federal science and technology enterprise. Since 1982, we have taken several actions to help commercialize the results of federally funded research by transferring management of Federal technology to those closest to its invention and encouraging cooperation on basic research between government and industry and among businesses. To enhance these efforts, I will issue an Executive order containing a number of measures:

- To encourage scientists working in Federal laboratories to patent, license, and commercialize their research so that the private sector, including consumers, can benefit, Federal agencies must implement royalty sharing programs with Federal inventors;

- To fully exploit foreign science and technology, the Department of State will develop a vigorous recruitment policy that encourages scientists and engineers from other Federal agencies, academia, and industry to apply for assignments in U.S. embassies abroad; and

- To promote technology transfers and commercial spin-offs from Federal research and development efforts, Federal agencies and federally operated laboratories will seek out "science entrepreneurs" to act as conduits between the laboratories and business, venture capitalists, and universities;

- To ensure that industry and academia benefit from research and technology abroad, the Departments of State and Commerce and the National Science Foundation will develop a mechanism to ensure that this information is made available in a prompt and efficient manner.

My Administration will implement a policy permitting all Federal contractors to own software, engineering drawings, and other technical data generated by Federal contracts in exchange for royalty-free use by the government. This will help commercialize non-patentable results of federally funded research.

Because it is important that business have adequate incentives to fund research here in the United States, we are seeking legal and regulatory stability for research and development in the R&D tax credit, as well as

Section 861 tax rulings on the allocation of R&D expenditures overseas.

Speaking of incentives, we must not forget the scientists and engineers of tomorrow—our children. Not only should we help our young people become more familiar and interested in science and engineering careers, but we must also broaden our notions of "basic skills". I am directing that the National Science Foundation and other Federal science agencies work with the Department of Education and State and local governments to assure that our children have the scientific literacy needed for the 21st century. To promote interest in careers in science and engineering, these agencies will:

- establish internships for promising students at Federally supported research labs;

- advise in the development of first-rate scientific and technical curricula—textbooks, software, and lab materials—using the expertise of top U.S. scientists and engineers;

- provide matching contributions to schools and universities for instructional scientific equipment and computers; and

- undertake promotional efforts regarding science and technology careers for minorities and women.

My Administration is also expanding our strong budgetary support for basic research, which has grown in real terms by 42 percent since 1981. Key new or expanded initiatives proposed in my 1988 Budget include design and construction by the United States, in conjunction with our friends and allies, of a permanently manned space station; development of a National Aerospace Plane; development of advanced civil space technology; global geospace science and planetary sciences programs; improved manufacturing technologies; hyper-speed integrated circuits; and mapping human DNA.

The Department of Defense in fulfilling its mission of ensuring our national security, also plays an important role in contributing to U.S. economic competitiveness. I am directing the Department of Defense, whose investment in R&D, testing, and evaluation will increase about 17 percent this year, and has more than doubled since 1982, to

accelerate its ongoing efforts to "spin off" technologies to the private sector. Previous commercial applications of defense technology have included such things as night vision capability for use in police and rescue work and computer-based reading training programs to develop basic and job skills. Technologies targeted for future potential spinoffs include: ceramic composite materials for more efficient engines; ultra-reliable radar for air traffic control systems and commercial aircraft; and enzymes for improved toxic waste disposal and decontamination. In addition to its primary function of strengthening deterrence, our Strategic Defense Initiative (SDI) should yield important spin-offs. As with the Apollo and space shuttle programs before it, SDI will advance scientific progress across a broad range. The Department of Defense will also work to assist industry in renewing its manufacturing competitiveness in the critical technologies.

Better Protecting Intellectual Property

Critically related to improving development of science and technology is ensuring protection, both domestically and internationally, of the property rights of inventors of new products and services and creators of new ideas and works of art.

We will seek statutory changes to: encourage patent owners to engage in newer and more novel ways to license their patents by limiting the "patent misuse doctrine;" raise protection for products resulting from patented processes to the same level as that accorded such products by our major trading partners; and amend the Clayton Antitrust Act to provide a more flexible standard of review for intellectual property licensing arrangements. Furthermore, we will restore the bargaining power of parties contracting to license technology by codifying and clarifying the Supreme Court holding in *Lear v. Adkins*; eliminating the current injury requirement from Section 337 ITC proceedings to exclude imports; and restoring the term of patents covering agricultural chemical products and animal drugs up to a maximum of 5 years to account for the period lost due to mandatory Federal premarketing regulatory review and testing. My administration will propose

statutory changes to: reduce the cost of defending patent rights by: (1) mandating an award of attorneys' fees in frivolous suits on cases of willful infringement; and (2) requiring challenges to patent validity to first go through an administrative proceeding before going to court.

We will also seek a "technological" solution to the potential problem of unauthorized copying of copyrighted material on digital audio tape recorders.

We will also be proposing the necessary statutory changes to our copyright law to permit the United States to join the Berne Convention for the Protection of Literary and Artistic Works. Seventy-six countries have signed this treaty; by joining, our country will gain copyright relations with approximately 20 countries with which we currently have none, or relations are unclear.

I am directing all Federal agencies to take into account the treatment of U.S. intellectual property when they are negotiating international agreements or providing bilateral economic assistance.

I will issue an Executive order to better protect business confidentiality under the Freedom of Information Act (FOIA) by giving businesses the opportunity to object to the release of commercial information submitted to the government.

My Administration will also propose statutory changes to FOIA expanding the definition of the "trade secrets" and "confidential commercial information" exemption to permit the government to withhold information that would cause harm to the Federal Government or commercial sector if released.

In addition, the Patent and Trademark Office will be making its technology file of U.S. patents and English language abstracts of Japanese and European patents available as a research tool to business and universities through private contractors or regional search centers.

Enacting Essential Legal and Regulatory Reform

Outmoded rules, regulations, excessive paperwork, and self-imposed disincentives can place us at a major disadvantage in an

increasingly competitive world marketplace. We will propose a number of legal and regulatory reforms to eliminate these obstacles to competitiveness.

We must stop draining off resources from our economy through product liability judgments that have gotten out of hand. We will propose legislative measures to reduce the costly product liability insurance spiral affecting the production costs of U.S. goods while still providing the necessary protections for consumer health and safety.

Businesses in the 21st century will have to compete on a global scale; to do so, they cannot be bound by rules designed to fit the far different markets of the early 20th century. Thus we will be proposing anti-trust refinements to allow firms to develop new ways of organizing and operating that take account of the increasingly global nature of markets.

I am directing the Cabinet to undertake a review of the export controls program and report to me by early March, 1987. While preserving U.S. security interests, the Cabinet is to provide recommendations to achieve the following: decontrolling technologies that offer no serious threat to U.S. security; eliminating unilateral controls in those areas where there is widespread foreign availability; and reducing the time necessary to acquire a license by at least one-third and implementing a fair, equitable, and timely dispute resolution process. These actions must be coordinated with efforts by our allies to make procedures more uniform and enforcement more rigorous.

We will reinforce our efforts to improve the competitiveness of American industry through deregulation and paperwork reduction. I have asked Vice President Bush to direct the Task Force on Regulatory Relief to take a fresh look at the Federal regulatory structure from the competitiveness standpoint and to improve or eliminate unnecessary regulatory and paperwork burdens. We will press for legislation to complete the deregulation of the trucking industry and will oppose efforts to re-regulate air and rail transportation. We will continue to pursue legislation to seek full deregulation of the pricing and transportation of natural gas, including repeal of demand restraints in the Fuel Use Act, and to repeal

the windfall profits tax. We will also propose legislation to implement oil pipeline deregulation.

Shaping the International Economic Environment

The litmus test of whether we will be truly competitive in the 21st century will be our ability to meet the competition head-on—and win—in the international marketplace. The Federal Government can play a key role here by helping to shape an international environment in which American knowledge, talent, and entrepreneurship can flourish.

In an increasingly interdependent world, currency flows, foreign government policies with respect to spending, saving and taxes, and trends in foreign investment all have a major impact on the competitiveness of American firms. We must shape these factors in ways that enhance, not inhibit, our competitiveness. This will require improved economic and monetary cooperation on a global scale. We will build on progress over the past year, including the new institutional arrangements we have developed both multilaterally and bilaterally, to guarantee a more stable and realistic value for the dollar, improved growth abroad, and an accompanying growth in markets for American firms.

The developing countries, particularly those in Latin America, represent new, growth markets of the next century. We will work to ensure that these markets meet their full potential by pressing our initiative on the debt problem, with a view towards increasing private investment and encouraging the necessary policy reforms within the developing world.

My Administration has aggressively used the funding provided in last year's "war chest" legislation to combat aggressively foreign predatory financing practices. We will focus our efforts on achieving an international agreement limiting these practices. But at the same time, our trading partners and competitors should be on notice that we will use our full authorities to counter foreign subsidized credit offers. To this end, we will be seeking the additional \$200 million in "war chest" monies promised last

year.

We will not tolerate closed markets, trade barriers, and unfair foreign subsidies that disadvantage American firms in the world marketplace. We will aggressively seek to open foreign markets through multilateral and bilateral negotiations and eliminate foreign unfair trade practices whenever and wherever they occur through the active use of our trade laws.

We must ensure that the laws of the trading system recognize the commercial realities of the 21st century. We made major progress this past year in securing the launch of a new round of multilateral trade negotiations in GATT. We will push hard for quick results from the Uruguay Round in areas critical to our competitive future, including agriculture, services, intellectual property, and investment.

We will also seek to achieve a major market opening close to home. More trade passes between the United States and Canada than between any other two countries in the world. We are now engaged in historic negotiations with Prime Minister Mulroney's government on a free trade agreement that will improve commercial opportunities on both sides of the border and serve as a model for trade liberalization on a global scale. We will work with the Canadians and the Congress to conclude an agreement in our mutual interests.

We will continue to assure that bribery to gain markets is deterred with criminal sanctions. However, uncertainty and ambiguity arising from portions of the Foreign Corrupt Practices Act serve as a needless disincentive to American business. My Administration will again propose amendments that eliminate these uncertainties by clarifying the Act's "reason to know" and other provisions and reduce its costly and duplicative accounting requirements.

Our trade laws have proven to be effective instruments for opening foreign markets and defending American industries against unfair practices on the part of our competitors. I will propose improvements to these laws that will enhance our ability to meet the challenges from abroad without erecting protectionist barriers at home. Our proposals will emphasize opening markets through multilateral and bilateral negotia-

tion, not closing them; encouraging adjustment while providing improved relief to industries injured by import competition; and tightening our laws to make them more effective in dealing with unfair foreign competition.

Reforming Federal Spending

Controlling Federal spending remains an essential element of our efforts to strengthen the economy and place it on a firm footing for the future. My Administration is continuing efforts to reduce the deficit. We have proposed a budget that meets the Gramm-Rudman-Hollings deficit target, and does so by reducing spending, not by raising taxes. I urge its passage by the Congress.

Working together, we need to begin to explore ways in which the budget process itself can be reformed and improved. Many Members of Congress feel that the system through which budget decisions are made is not working the way it should, and I share that view. Its deficiencies, unfortunately, are reflected in the results. Deadlines for congressional action too often are missed or ignored; the threat of a government-wide shutdown has become an almost regular feature of the beginning of fiscal years; and the end product of this process remains a Federal budget that provides for excessive spending and a large deficit. I am committed to working with the Congress to establish procedures to encourage cooperation rather than confrontation between the Executive and Legislative branches on the crucial issues of Federal spending and to adopt measures that will help make the budget process more responsible and more accountable.

Finally, I will again propose that the Congress adopt a Balanced Budget Amendment to the Constitution and the establishment of a line-item veto. Adoption of a Balanced Budget Amendment would represent our acceptance of a simple yet fundamental principle—the Federal government must live within its means. A line-item veto would further enhance our capacity to reduce and eliminate wasteful and redundant expenditures. I strongly recommend that these two reforms be adopted.

Agriculture

From the beginning of this Republic, agriculture has been the backbone of America and is the Nation's largest single industry. We can be proud that each American farmer now feeds 88 of our citizens plus 30 people abroad. Yet in spite of this bounty, all is not well in rural America. Farmers have suffered from events that in many cases have been beyond their control, such as unfavorable currency exchange rates, unfair competition, and government interference. Still, most farmers retain their faith in America and their dedication to our free enterprise system. We must stand by them through these troubled times.

Major farm legislation was put into effect last year to address those concerns. The Food Security Act of 1985 was a significant improvement over previous legislation but has not addressed several continuing problems. Commodity programs still provide too much incentive for overproduction. Our farmers are required to produce to qualify for payments and loans. Program costs are at an historic high, and some farmers receive very large individual payments. In addition, our sugar program is unfair to our consumers, our trading partners, and many developing countries.

We will ask the Congress to make improvements in farm legislation. Our proposal will be designed to break the link between eligibility for payments and production decisions, to further lower target prices and loan rates and to impose tighter limits on farm program payments. We will also ask for an overhaul of our sugar program. These changes will help U.S. agriculture focus more on market forces and less on Washington; net outlays for agriculture will come down gradually and will still be very generous for the next several years. The resulting reduced government influence and greater reliance on the marketplace will be essential to the long-term competitiveness and viability of U.S. agriculture. At the same time, we will continue to press aggressively for comprehensive agricultural negotiations during the Uruguay Round. Our farmers deserve a level playing field in order to compete fairly in international trade and we are committed to make that

objective a reality.

Competitive Financial Services

The financial services industry must be permitted to keep pace with changing technology, global competition, and consumer demand for expanded services. I am proposing that the Congress implement the recommendations of Vice President Bush's Task Force on the Regulation of Financial Services. We must rationalize our Federal regulatory structure.

A little over 1 year ago, the Congress asked us to devise a plan to rescue the Federal Savings and Loan Insurance Corporation (FSLIC). We responded early in 1986 with a plan based on two fundamental principles. First, we have devised a truly self-help plan; the taxpayers will not be required to bailout a profitable industry that, with some measure of sacrifice over time, can help itself. Second, our recapitalization plan has sufficient resources (about \$25-30 billion over 5 years), available when necessary, to meet the very real problems that exist today. By giving FSLIC the resources to handle the hundreds of insolvent Savings & Loans still in operation, we will protect almost \$900 billion of depositors' savings insured by FSLIC.

Both Houses of Congress passed our FSLIC recapitalization plan in the closing days of the 99th Congress, but it was not enacted into law because of disagreements about unrelated amendments. We cannot afford additional delay. I urge the 100th Congress to enact our FSLIC plan quickly and cleanly so that it can get the resources it needs to safeguard America's small savers.

I also urge the Congress to work with us and the rapidly growing coalition of forward-looking financial firms to develop a comprehensive modernized legal structure for the financial services industry. The "protectionist" approach of repairing the crumbling walls of 50-year-old financial oligopolies will not work: consumer tastes, technology, the marketplace, and our international competition will move beyond.

Working men and women want to receive the best services at the lowest prices. They also seek safety and convenience. Our businesses and local governments want

competitive and innovative financial offerings. Many banks and other firms are pressing for an opportunity to supply these products and services. Our laws should not stop them.

We need to promote a freer, more competitive financial services marketplace, complete with proper supervision and meaningful disclosure. In doing so, we can help this vital American industry to reposition itself on the leading edge of the financial services world.

Management, Civil Service, and Procurement Reform

We will submit proposals to improve the management of the Federal Government. These management reform measures are designed to achieve long-term gains in Federal efficiency and productivity and include proposals to improve existing financial procedures, combat fraud, waste and abuse, and generally make more effective tools available to Federal managers. The Congress should establish productivity improvement as a national goal. There can be no more important task than that of delivering government services to all our citizens in a more efficient, effective, and timely manner.

As part of this effort, we will submit a number of proposals for civil service reform—proposals that will help our government give the American people what they pay for by deregulating the bureaucracy and by rewarding individual merit and achievement. By straightening out the way our Federal bureaucracy does its work, we can deliver on our promises to the American people quickly and efficiently. The proposed Civil Service Simplification Act will streamline an overly complex system. It will free our public servants from thousands of pages of unnecessary rules and regulations that have made it hard for them to do their jobs. As with deregulation of *private* business, this proposal will deregulate the *public's* business; it will provide for a Federal pay system truly based on merit and individual performance; it will, in other words, introduce into our Federal Government the traditional productive values of the American workplace: entrepreneurial freedom, responsiveness to the people, and reward

for hard work.

To aid in achieving the goal of a 3 percent annual productivity increase, we will also propose reform of seniority pay for Federal employees. This will introduce pay-for-performance throughout the government by shifting from the current system—which gives seniority-based salary raises to virtually all Federal employees regardless of personal achievement—to one based solidly on merit and individual performance. With stronger incentives to deliver, Federal employees will participate more in the program and apply their insights and skills to the development of productivity initiatives.

My Administration will propose that the Congress enact the Health Insurance and Payment Verification Act. This legislation would establish a process to ensure that existing employment based health insurance would pay health care costs before payment was sought from taxpayer funded health programs.

An expiring provision of the Deficit Reduction Act of 1984 allows the Federal Government to recover delinquent debts owed Federal agencies through the offset of income tax refunds otherwise due the taxpayer. This program is very successful and through legislation we will seek to extend this authority for another 2 years.

Last year, significant changes were made in defense procurement processes. My Administration will work with the Congress this year to make numerous needed reforms in the Federal Government's non-defense procurement area. These will include a comprehensive recodification of all existing procurement statutes into one simplified, consistent statute, as well as authority for Federal civilian agencies to enter into multiyear contracts. The Federal Government should depend more on the private sector to provide support services for Federal activities. We will pursue this objective through a variety of initiatives aimed at reducing any adverse effects on government employees from contracting out. For example, we will explore measures to encourage employees to form their own business and take over their government jobs as private contractors.

Government procurement should be

competitive in all aspects, including keeping pace with costs and salaries for comparable services procured by the private sector. We will propose legislation to increase the Davis-Bacon and Service Contract Act threshold levels to \$1 million for defense contracts and \$100,000 for non-defense Federal contracts. This increase is important in light of increases in salaries and other costs over the past several decades.

Credit Reform and Privatization

In order to operate more efficiently to the benefit of taxpayers, the government must take better account of the true budget costs of Federal credit programs. We are proposing legislation to reform government assistance programs by requiring that the present value of federally provided subsidies from any agency making or guaranteeing loans be appropriated in advance into a new central revolving fund within the Department of the Treasury. Newly made direct loans will be sold and new guarantees reinsured in order to establish the market value of federally assisted credit and measure the subsidy. This will improve both the allocation and management of Federal credit.

The private sector should have the opportunity wherever possible to produce goods and services currently provided by the Federal Government in order to reduce government expenditures as well as provide the benefits of market competition to consumers. In light of our successful efforts to authorize the sale of Conrail, we are now proposing the sale to the private sector of the Naval Petroleum Reserves, the Alaska Power Administration, the helium program, and excess real estate, as well as the disposition of certain Amtrak assets. We are proposing legislation to authorize a study of a possible potential divestiture of the Southeastern Power Administration. In addition, my Administration will expand our pilot program of selling existing loan assets without recourse.

Small Business and Entrepreneurship

Small business is at the cutting edge of America's competitiveness. The 1986 National White House Conference on Small Business has provided us with recommenda-

tions on many issues addressed by my legislative agenda. These recommendations are directed towards creating a better environment for our Nation's small business owners who, through their vitality and creativity, contribute significantly towards our prosperity. The recommendations range from tort law and product liability reform to reducing the deficit and improving our international trade position. These views have been incorporated in framing our positions on these issues. In addition, we soon will have a permanent Administrator for the Small Business Administration (SBA), and I can assure you that the small business will continue to have an important voice in the councils of government.

III. VALUES: THE SOURCE OF OUR EXCELLENCE

As we work to expand economic opportunity for all Americans, we must also take steps to sustain the traditional cultural and moral values that are the bedrock of American democracy. We must renew our belief in the dignity of self-supporting individuals and families, in safe and self-governing neighborhoods and communities, and in a government that is both limited and close to average citizens. By promoting policies that sustain and enrich these values, we can help to create an environment in which all Americans utilize their individual talents to achieve excellence and contribute to family, community, and nation.

Education

I have already said how important quality education is to our future economic success. But we must also promote policies that recognize the importance of education as the main transmitter of our shared history and values and as the primary means of escape from poverty for America's poor. Following the pattern of *What Works* and *Schools Without Drugs*, the practical handbooks issued in 1986, my Administration will prepare a clear and reliable handbook this year to explain what works in the education of the disadvantaged.

Low Income Opportunity

A year ago, I asked the White House Do-

mestic Policy Council to evaluate our Federal public assistance programs and to propose a new national strategy for helping poor Americans "escape the spider's web of dependency." This year, I will address the main findings of that evaluation, which was contained in our report, "Up From Dependency," released in December.

Our report shows, clearly and persuasively, that our vast and expensive welfare system is a tender trap: while it rescues many Americans from short-term distress, it also sustains far too many in long-term dependency. Our current welfare system is a complex labyrinth of 59 major programs that cost more than \$132 billion in Fiscal Year 1985. Forty other Federal programs for the poor brought total low income spending to \$150 billion, yet our poor and our taxpayers receive little in return for this enormous annual investment. The current welfare system is so complex and its incentives so perverse that it demoralizes the poor, undermines the willingness to work, and weakens families and communities.

I will propose a major new national strategy to reform this flawed welfare system. Our goal is to create a system that gives poor Americans the opportunity and aid to escape the tender trap of welfare and become more productive and self-reliant contributors to American society. Our proposal will ask that Federal welfare requirements be waived to allow States to establish a series of demonstrations in welfare policy. We are not proposing to cut Federal welfare benefits for the truly needy. The idea is to begin a process that will tap the hundreds of good self-help and anti-poverty ideas currently blossoming around the country. For too many years our Federal welfare policies have assumed that all of the answers could come from experts in Washington, D.C. Those policies have had 20 years to work and have failed. Our demonstration strategy seeks to find solutions to poverty and welfare dependency in the practical genius of the States, communities, and individuals who must cope with those problems every day.

The Family

The problem of welfare dependency cannot be separated from the well-being

and solidity of America's families. Both common sense and social science tell us that intact, two-parent families will be far better off financially and socially than will families led by a single father or mother. Family breakup remains the primary reason that family income falls below the poverty line.

My Administration is committed to supporting public policies that strengthen the role and bond of families in American life. Last year at this time, I charged my Domestic Policy Council's Working Group on the Family to study and issue a report on the state of the American family. This year I am endorsing the report, released to the public in November, as a landmark in understanding the ways in which government policies have affected, often adversely, family life in our Nation. My Administration will also work to implement the recommendations contained in the report.

Since 1973, after a divided Supreme Court ruled in *Roe v. Wade*, nearly 20 million unborn children have perished in our land due to abortion. This toll continues to climb—despite increasing evidence of the humanity of the unborn child and the growing desire of millions of young couples to adopt. My Administration will submit legislation this year to further my commitment to protect the rights of unborn children. Our proposals would prohibit Federal government funds from being used to: (1) perform abortions, except when the life of the mother is endangered if the unborn baby were carried to term; and (2) support, through Title X family planning grants or contracts, any organization (except a grant or contract directly administered by a State or local government) that provides abortion procedures or referral for abortion, unless the life of the mother would be endangered.

Health

Our Nation's health care system is the finest in the world, yet it is also a very expensive system with costs that are continuing to rise faster than the rate of inflation. My Administration has worked since 1981 to create incentives that would keep health costs down and improve quality by encouraging more competition in health

care delivery. In 1987, we will again ask the Congress to pass legislation to expand the use of private health plan options—paying a fixed, predetermined price for health services—to the government medical programs of Medicare and Medicaid. My Administration will also propose that Medicare payments to doctors who practice in hospitals be reflected in a set price for each medical diagnosis; this will provide further incentives for doctors to provide quality care at lower costs.

To encourage private health care competition, my Administration will propose an optional Medicaid health plan, offering States fiscal incentives to place Medicaid beneficiaries in private health insurance plans that provide comprehensive, managed care for a predetermined price. We will also ask Congress to pass a Medicare Expanded Choice Act, which will allow the elderly to choose the private health plan that best suits their needs. Each plan would have to offer coverage at least equivalent to that of basic Medicare.

My Administration will also continue to invest in research to cure heart disease, cancer, and other life-threatening diseases. In particular, we will continue our work to find a cure for acquired immune deficiency syndrome, or AIDS. We are also increasing basic research to better understand the causes of AIDS and to find a cure for AIDS or a vaccine to prevent it. Last year the Surgeon General issued a report that was a landmark in public education about AIDS. We will expand that education effort this year, stressing that education about AIDS to schoolchildren must be grounded in the moral and cultural values of parents and communities.

Catastrophic Illness Coverage

All Americans, and especially our elderly, face a small but significant risk of a devastating illness or accident that will bring with it crushing medical bills. Most of us have adequate financial protection through private or public insurance, but because the risk is small, not all of us pay attention to the implications of a truly disastrous illness. We need to remind ourselves to make sure we were adequately protected, and both private industry and government should

continue to work together to be sure that such protection is available to all of us at affordable prices.

With this in mind, I will shortly submit to the Congress a proposal to improve catastrophic illness coverage to the elderly to avoid the fear of an acute care illness so expensive that it can result in having to make an intolerable choice between bankruptcy and death.

The Crusade Against Drugs

Nothing erodes our Nation's basic social fabric more than drug abuse. Last year our Administration made the fight against drug abuse a top priority, working with Congress to pass sweeping legislation to attack this problem both among users and suppliers.

This fight is a top priority again this year. We will continue to implement our six-point program to achieve a drug-free America, through achieving drug-free workplaces and schools, expanding drug treatment and research, greater international cooperation, enhanced law enforcement, and increased awareness and prevention of illegal drug use. We are devoting large and appropriate amounts of money to this fight. From 1981 to 1986, Federal drug enforcement funding increased by 130 percent, and the number of FBI and Drug Enforcement Agency agents assigned to drug investigations nearly doubled. Our task this year is to implement the new legislation and to use our money wisely, even as we continue our public and educational campaign to change, once and for all, any lingering perception that drug abuse is a victimless crime. We will work through the National Drug Enforcement Policy Board, and with our friends and allies in the world community, to implement the enforcement provisions of the anti-drug law aimed at reducing the supply of drugs into our country. Just as important, our Departments of Education and Health and Human Services will expand their efforts to reduce the demand for drugs, especially among our children. The resources in the fight against drug abuse consist of much more than Federal money, however. They include the efforts of all Americans and institutions—parents, schools, churches, civic groups, and State

and local governments. We must continue, as an Administration and as a nation, to encourage every American to "Just Say No" to illegal drugs.

Housing and Community Development

Part of the American dream has always included safe and affordable housing, and this Nation's housing quality and rate of home ownership are among the best in the world. Our last 4 years of economic progress have reduced interest rates and raised take-home pay, putting home ownership within the reach of ever more Americans. Industry studies show that more Americans are now able to afford housing than at any time in the last 8 years.

Our challenge now is to bring quality housing within the reach of even poor Americans. To do this, we will continue to expand the use of rental housing vouchers, which increase mobility and housing choices for the poor. Since 1984 more than 141,000 vouchers have been appropriated for poor families. We will also continue our public housing home ownership initiative. On January 8 of last year, a McKeesport, Pennsylvania, family became the first in the country to buy its own home under this initiative, which seeks to give poor Americans the sense of personal pride and responsibility that comes with home ownership. We will also continue our efforts to reduce housing construction costs through the Joint Venture for Affordable Housing, to improve the management and upkeep of existing public housing units, to fight housing discrimination by strengthening government law enforcement, and to better target our public housing aid by asking the Congress to approve a Tenant Income Verification proposal that would make it easier to determine who is truly in need.

Pride in ownership also depends on pride in neighborhood, and once again this year we intend to ask the Congress to revitalize our Nation's poor neighborhoods by passing legislation to create enterprise zones. More than half of the States have already demonstrated how much these zones can contribute to economic growth by removing tax and regulatory obstacles to develop in depressed urban and rural areas. My Administration will also work to help distressed

communities by asking Congress to extend the National Flood Insurance Program to 1992, and by seeking legislation to make disaster assistance more timely, cost-effective, and better managed. As part of my Administration's emphasis on strengthening Federalism, we will continue to eliminate excessive Federal directives for State and local community development activities under our Community Development Block Grant program.

Federalism

In this 200th year of our Constitution, we as a Nation need to reaffirm the basic federal principle that the best form of government is often the one closest to our citizens. In April of last year I signed a "Statement of Federalism Principles" to begin this reaffirmation, and last November I reviewed a report on the "Status of Federalism in America" prepared by our Administration's Federalism Working Group. The revitalization of Federalism as our system of constitutional government is a return to the vision of an indivisible union of States—a system in which the national government exercises sovereign authority in accord with the limits of its constitutionally enumerated powers, and the States exercise sovereign authority in all other areas.

This year we intend to implement reforms outlined in our report. We will review proposed legislation and executive actions to identify their constitutional authority and justification and their impact on our Federal system's balance of powers. We will also continue to oppose the use of grants as a means to indirectly regulate States in areas, such as the 55 mile per hour speed limit, in which they have traditionally exercised authority. We will oppose efforts to preempt State laws, except when the Constitution plainly indicates a legitimate Federal concern.

Justice and Personal Freedom

Our Constitution is dedicated to the belief that our system of justice must strike a balance between enforcing the rules of a civilized society and sustaining human liberty. In areas where our laws or court decisions have tilted too far in either direction,

we must do what we can to restore the proper balance.

My Administration will work first of all to regain this balance in our criminal justice process. In 1987, I will again support legislation to impose the death penalty in appropriate Federal criminal cases and to modify *habeas corpus* procedures to reduce delay in State courts and make it clear to criminals and society that justice is swift and sure. I will also submit legislation to modify the exclusionary rule so that evidence seized by police in a good-faith belief that the seizure was lawful may be introduced as evidence at a trial. Based on last year's report of the Commission on Pornography, I have also approved a seven-point program designed to curb the growth of child pornography and obscenity. I call upon the Congress to pass swiftly the legislation we will propose to protect our children from this menace.

On behalf of human and religious liberty, I will again ask the Congress to pass a constitutional amendment to restore the right of students to voluntary, vocal prayer in the public schools.

In appointing members of the judiciary, I have tried to select women and men committed to justice under law. Chief Justice Rehnquist and Justice Scalia, confirmed last year to their positions on the Supreme Court, understand well John Marshall's insight that our Constitution provides "a rule for the government of courts, as well as of the legislature" and the executive. I will ask the Senate to continue working with me to appoint judges who understand the dangers of unrestrained judicial power, and who are committed to legal interpretation based on our Constitution rather than on individual policy preferences.

I will also propose initiatives to reduce the increasing burden of litigation in our society. I have already mentioned that we will again propose tort reform legislation. We will also investigate potential reforms to help with the problems of increasingly high attorneys' fees and damage awards.

My Administration remains committed to enforcing our civil rights laws. We must not be diverted from our pursuit of justice because of government policies that treat individuals differently based on their race or

ethnic background, even when those policies are well-intentioned. My Administration will oppose legislation that provides government preferences based on race or other special categories, and not to all Americans. The American ideal is to allow equal opportunity for all, not to enforce equality of results or outcomes.

Energy and Environment

My Administration has worked throughout its time in office to protect our environment, even as we have worked to develop our enormous natural resource wealth—on and off shore. Last year I signed bills committing Federal money to clean up toxic waste and to protect the Nation's supplies of drinking water.

This year we will continue to study the issue of stratospheric ozone depletion. We will also continue to work with private industry, the scientific community, and our neighbors in Canada to monitor and find solutions to the presence of acid rain in forests and waterways. We are also developing proposals that make use of market incentives to control air pollution caused by sulfur dioxide and nitrogen oxide emissions and the causes of acid rain. We hope to work with the Congress to ensure that air quality is improved without reducing economic growth or damaging the competitiveness of our Nation's industry.

We recognize the importance of maintaining America's energy security. In 1987 we will consider one of the decade's most important resource management decisions—the future use of the coastal plain of the Arctic National Wildlife Refuge in Alaska. This area is blessed both with abundant wildlife and potentially enormous oil reserves that are vital to America's energy security. My Administration will recommend to the Congress a management solution that best balances our environmental heritage with the Nation's economic and national security needs. I have received the report of my Commission on Americans Outdoors, and it will be studied by the Domestic Policy Council. We will also continue to fill the Strategic Petroleum Reserve, to reach an eventual goal of 750 million barrels. And once again, we will seek legisla-

tion to standardize designs and simplify licensing for nuclear power plants. Our goal is a stable, predictable process that encourages nuclear plant construction that is reliable, cost-effective, and environmentally sound. Our democratic allies in the developed world have proven that well managed nuclear power can be a major source of safe and cheap home-grown energy; thus, America needs to revitalize its own nuclear power industry. I have also ordered a high-level interagency review of U.S. energy security to determine what other actions we can take to avoid overdependence on foreign oil and to strengthen our domestic oil industry.

Transportation

America's transportation network is the envy of the world, yet the demands of our expanding economy require that we continue making expansions and improvements. For 1987 I will propose legislation to extend and amend the Airport and Airway Improvement Act. This legislation will allow my Administration to continue to modernize the Nation's air-traffic control system, increase the number of air-traffic controllers and aviation inspectors, and improve the Airport Grant program. Last year was one of the busiest but safest ever in America's air transport history, and these new proposals will ensure the continued safety, reliability, and capacity of our national aviation system.

My Administration will also seek continued authorization of Highway and Mass Transit programs through FY 1990, and we will propose legislation to increase both State and local discretion in using Federal highway funds. In accordance with our federalism principles, we believe that State and local governments are usually better able than the Federal government to determine local transportation improvement needs.

Private Sector Initiatives

In the past 6 years, my Administration has worked to inspire private individuals and companies to play a more active role in their communities. We will continue this successful effort, which is now being copied around the world. If individuals and com-

munity groups take more responsibility for public affairs, we are less likely as a Nation to cede our freedom and opportunity to the Federal government.

IV. INTERNATIONAL PEACE AND FREEDOM

In the past 6 years my Administration has pursued a foreign policy based on realism—about the world we live in, about the nature of our adversaries, about the need for American leadership. To close gaps that had opened in the past, we were obliged to undertake a significant rebuilding of our defense capabilities. As a result, our allies have greater confidence in America, and the Soviet Union is more willing to work seriously for arms reduction.

Peace and progress, of course, depend on much more than a sound military balance. That is why, in the same spirit of realism, we encourage democracy, freedom, and respect for human rights by all nations. In this decade democracy has been on the march. Country after country has joined those nations where the people rule. We have supported those freedom fighters who bravely make sacrifices so their nations will enjoy freedom and independence.

The successful conduct of foreign policy rests upon a strong bipartisan spirit in the Congress, and close cooperation between the Legislative and Executive branches. I am pledged to continue this long-held tradition, and hope the Congress will see the importance of doing the same. Toward that end, in the near future, I will send the Congress a full and comprehensive report on American foreign policy.

East-West Relations

Last October, my Iceland meeting with General Secretary Gorbachev brought great progress in the area of arms reduction. There is much work to do, and we continue to work in this area. It is, however, only one of several items on our agenda with the Soviets. No fundamental and lasting progress is possible in one area of our relations without improvement elsewhere.

My Administration is engaged in a broad range of bilateral and multilateral arms control negotiations. Our objectives include: deep, equitable, and verifiable reductions of

nuclear arsenals; a cooperative transition by the United States and the USSR to a strategic regime based increasingly upon defenses; verifiable limits on nuclear testing; a global ban on chemical weapons; and conventional force reductions to redress imbalances in Europe. In each of these negotiations, we are guided by principles of equity, increased stability, effective verification and strict compliance with both past and future agreements. I look forward to meeting again with Mr. Gorbachev to advance this important work.

Responsible Soviet conduct abroad is essential to a peaceful international environment. I have urged Mr. Gorbachev to withdraw all Soviet forces from Afghanistan and to allow genuine Afghan self-determination, to cease support for Cuban expeditionary forces in Africa, and to promote a withdrawal of Vietnamese forces from Cambodia. In the absence of such actions, the Soviet Union can hardly expect to be treated as a respectable member of the international community.

In the Soviet Union today there is much talk of change. We must hope for a true break with the past, but we see both hopeful and discouraging signs, especially in the critical area of human rights. Certain better-known dissidents have been released while others continue to receive very harsh treatment; tragically, emigration remains at an historic low, and religious persecution continues unabated. My Administration will welcome, and respond to, positive steps toward greater respect for human rights, while expressing our views on the enduring nature of the Soviet system.

Since I met General Secretary Gorbachev in Geneva, exchanges between our two societies have gained momentum. I hope for further expansion of people-to-people contacts in 1987.

One of the most important obstacles to improved East-West relations, which touches on all elements of our agenda, is the continuing unnatural division of the European continent. Toward the states of Eastern Europe, our policy of differentiation remains intact; in particular our trade relations with them will continue to reflect the extent of internal freedom and foreign policy independence from Moscow.

America in the World

The extraordinary surge of democracy that we have seen in the past 6 years, particularly in the developing world, benefits us politically, economically, and strategically. Democratic transitions are nonetheless fragile; they require constant nurturing and careful support. This Administration will continue to work with and support those nations that share our interests and values. By diplomatic and other means we can help create the peaceful environment in which free institutions flourish.

To help create such an environment, the Congress should support adequate funding levels for economic and security assistance. The year 1987 is the 40th anniversary of the Marshall Plan, a reminder that American commitment and generosity serve our own interests while changing the course of history for the better. Our goal is to foster peace and stability by helping friendly nations to defend themselves and by encouraging market-oriented economic growth abroad. We continue to work toward the elimination of hunger and extreme poverty for both humanitarian and security reasons. Thus, *American* interests are harmed if our programs in this area are cut by the Congress below adequate levels, as they have been.

The advance of democracy and the strengthening of peace are closely related. Nowhere is this clearer than in our own hemisphere. We must continue to provide support and assistance to freedom fighters in Central America. To that end I will ask the Congress for renewed assistance for the Nicaraguan democratic resistance, which faces a Leninist dictatorship that has received over a billion dollars of Soviet-bloc arms. I also strongly support a supplemental appropriation for the economic development of the Central American democracies.

State-sponsored terrorism has increased dramatically in the last few years. When such incidents go unpenalized, further terrorist efforts are encouraged. We will continue to build our capability to deter and, when necessary, to combat swiftly and effectively state-sponsored terrorism worldwide. In this regard, I am requesting necessary funding to continue the multi-year pro-

gram to improve the protection and security of our personnel and facilities overseas.

The people of the Philippines, whose history is closely linked with ours, acted last year to reconfirm their democratic traditions. We encouraged them, and applauded their success. This year, my Administration will seek additional support to assist the Aquino Government, as it confronts serious economic and security problems. The rebuilding of political institutions and restoration of investor confidence are Filipino goals that America must support.

My Administration will continue to enforce the Comprehensive Anti-Apartheid Act of 1986. We seek an end to Apartheid and will use our influence to foster a peaceful transition to a truly free, democratic, and multi-racial society. We will offer a special economic assistance program for southern Africa. We will also seek to restructure economic assistance to Africa so as to reinforce positive policy reforms in a growing number of African nations. This approach, whose goal is to promote investment and economic growth in Sub-Saharan Africa, is reflected in the Administration's FY 1988 budget request.

The United States must be able to communicate information and ideas on a worldwide basis. Ongoing expansion of America's international broadcasting capability—the Voice of America, Radio Free Europe/Radio Liberty, and Radio Marti—must therefore continue. Increased resources for the United States Information Agency are also needed to reach this goal. In addition, the National Endowment for Democracy and its subsidiary elements—including free labor, free enterprise, and the political parties—permit the United States to help strengthen the infrastructure of democracy, particularly in the less developed countries. Funding for this program is very small; the potential return on our investment, very high.

In the past, the ideals of the UN Charter have often been trampled under foot. The United States remains committed to restoring efficiency and impartiality to the United Nations and effectiveness to its peacekeeping activities. We will use our influence to restore respect in the UN for the principles on which it was founded.

My Administration will continue efforts to achieve the fullest possible accounting of our servicemen missing from the Vietnam War. Recent progress can continue with the strong bipartisan support in the Congress for this humanitarian issue. Also, my Administration is committed to aiding refugees and those countries providing first asylum to them. International organization support, multilateral and bilateral programs, and resettlement opportunities in the international community are all required to ensure humanitarian treatment of these homeless and shattered peoples.

The Administration is proud of a path-breaking agreement reached this past year with the Pacific island states over the long-contentious tuna fishing issue, one that our adversaries have tried to exploit. Modest but indispensable funds are needed to meet our obligations under the agreement.

Maintaining a Strong National Defense

The increased resources we have devoted to national defense in the past 6 years have brought many benefits—above all, a lasting peace. Our forces have been modernized, the quality and spirit of those in uniform have risen to the highest levels, and we have begun work on new technologies that can protect America in the future and free us from the nuclear balance of terror.

All these efforts must continue. We need realistic and sustained growth in defense funding to consolidate the real gains we have made. The budget I have proposed meets this goal. The alternative is unacceptable: spending less will unavoidably mean less security. We cannot keep America strong without committing the resources that this effort requires.

In keeping with the recommendation of the Packard Commission, and as required by the 1986 Defense Authorization Act, I have submitted a two-year national defense budget for 1988–1989. The Packard Commission stressed no point more than the need for greater stability in defense funding. Rollercoaster, surge-and-starve budgeting leads to higher costs and dangerous risks to national security. Furthermore, I want us to get our money's worth from every defense dollar spent. Under the lead-

ership of the Secretary of Defense, with the expert help of the new Under Secretary of Defense for Acquisition, this Administration will continue to take important strides toward improving the acquisition system. Other major changes in DoD organization and the procurement system have been underway, some since the beginning of this Administration. So I hope the Congress will withhold further efforts to legislate defense procurement reform until the effect of these changes can be fully evaluated.

Our Strategic Modernization Program is essential to assuring our national safety in the years ahead. The strength it provides is also the indispensable foundation for negotiating the deep cuts we seek in nuclear arsenals. The Soviets are willing to bargain and make concessions only if they understand that—in the absence of agreements—America will provide for her own security.

Strategic Defense Initiative research explores the way to move toward a world in which effective defenses, rather than threats of retaliation, keep the peace. This vital program reinforces our policy for arms reductions—as an incentive for the Soviets to agree to real arms reductions and as an insurance against cheating on arms reductions agreements. The pace of research to date has been impressive, and I will ask the Congress to increase funding so that we can continue moving forward.

My Administration will continue to maintain an effective nuclear deterrent, but at the same time it is essential that we and our allies modernize and strengthen conventional land, air, and naval forces so they can carry out their missions in the face of a steadily increasing Soviet threat. That will cost more money than the Congress has been willing to vote the last 2 years, but it is essential.

America will continue to deploy military forces throughout the free world as proof of solidarity with our Allies and other friendly nations, and as a deterrent to those who might threaten our peace and freedom. Forward deployments not only underscore our national policies, but also provide valuable exercises and training for Active, Guard, and Reserve Component Forces.

The Soviet Union has the world's only operational ASAT system. The U.S. minia-

ture homing vehicle ASAT system that can deter the Soviets from using their system in times of crisis is in development. Its test program, however, has been blocked by a congressional unilateral ban that prohibits tests against targets in space. The Soviets are under no such prohibition. I will continue to urge the Congress to lift this moratorium as soon as possible. I will strongly oppose its extension beyond October 1, 1987. Such unilateral restrictions on the U.S. leave the Soviets with capabilities that endanger America's security.

Keeping America strong means more than acquiring ships, tanks, and planes. Those who wear the uniforms of our armed forces must receive appropriate recognition for the sacrifices and hardships that they are called upon to endure on our behalf. My Administration will take the necessary steps to continue to improve the quality of life for those in uniform. In this way we can retain the high-quality trained people serving now, all as volunteers, and provide sufficient incentives to recruit the qualified people that we need in the future.

As we revitalize our naval forces, we face the need to build home port facilities that can accommodate our growing fleet and to protect our vital merchant ports in the least vulnerable but affordable way. We must continue to implement and expand our strategic home-porting program.

Last fall I sent to the Congress a classified report on the threat to our security from the activities of hostile intelligence services. The report set out a blueprint of legislative and administrative measures to enhance our ability to meet this threat. I hope the Congress will act on our recommendations.

We must maintain the viability of our technology base and pursue new developments in conventional weapons technology. The armaments cooperation initiative with our Allies helps us to improve acquisition management, share technological advances within the Alliance, and enhance collective defense. The Soviet Union should regard the industrial unity of the West as an unbeatable force. We must not squander our gains through careless or felonious transfers of technology to potential adversaries. My Administration will continue our successful

effort to curb the theft of strategic technology by the Soviet bloc.

V. CONCLUSION

This year of the 200th anniversary of our Constitution affords us the opportunity to make momentous strides in our quest for national excellence. It will require the efforts of all of us—not just the government, but all the people. To achieve this greatness really comes down to just being our best. No government plan or program is capable of enacting such sweeping change and reform. All the Federal spending in the land cannot buy excellence. It must occur

as part of the natural instinct of free people to compete for the highest standard. The proposals and actions outlined in this message will form the foundation to meet the challenge of the third American century.

I look forward to working with the Congress in a bipartisan fashion in order to achieve this worthy goal. For when it comes to the future of America, there must be no Republicans or Democrats—only Americans.

RONALD REAGAN

The White House,
January 27, 1987.

Remarks to Employees of the National Aeronautics and Space Administration on the First Anniversary of the Explosion of the Space Shuttle *Challenger* January 28, 1987

Today is a day to commemorate and a day to salute. We commemorate the magnificent *Challenger* Seven, whom we lost last year at this time, and we salute you, the men and women of America's NASA team. America will never forget that terrible moment a year ago when our elation turned to horror and then to grief and pain. Seven of our finest perished as they reached for the boundaries of space, where Earth ends and the path to the stars begins.

No, we will never forget them. They represented so much of the best that is in our land. There were Dick Scobee and Michael Smith, both heroes of battle, both experienced test pilots, both with the heart and soul the great explorers have always had—always searching, always reaching. There were Judith Resnik, Ellison Onizuka, Ronald McNair, and Gregory Jarvis. They were pioneers of the mind as well as the stars. From every corner of America, they had come—and from many backgrounds—to join hands in a common adventure. Don't they, by their example, tell us just why it is our blessed land has become so great? And of course, there was Christa McAuliffe, whose profession was among humanity's most honored and revered: that of

a teacher. She had hoped on that mission to give history's first lessons from space, lessons that were to be beamed to schoolchildren across America and around the world. Well, she never got to give those lessons in space science, but she and the others did teach America's children something, nevertheless, something precious, something enduring, something perhaps more valuable than any other lesson they will ever learn.

I remember in the hours and days following the tragedy there was talk of the permanent trauma the children of America might suffer as a result of viewing the shuttle disaster. And, yes, the events that day did leave their impression on them, but not the one that we feared—no, instead, one that can make us all proud of the strength and spirit, the courage and love, of our young people. You can see that lesson reflected in one simple fact: The number of new memberships in our Young Astronauts Program has never been higher. This past year I spoke to a meeting of the Young Astronauts, and I can tell you that another place that lesson is reflected is in those Young Astronauts eyes. They know that exploration has its risks. They know that with

adventure also goes dangerous. They know all this, but they also know something far more important: something about the spirit and sense of joy that have kept man reaching through the ages to grasp for the limits of his universe and beyond that, despite hardships and peril, kept explorers like Columbus, Magellan, and Drake sailing into uncharted oceans, that, despite comforts they left behind, kept pioneers like Boone, Carson, and Clark crossing America's frontier, that keep us still reaching for the unknown. Christa McAuliffe and all the magnificent *Challenger* Seven taught this lesson of courage, spirit, and love to America's children, and now it's for all of us to learn the lesson from them.

This has been a year of careful self-examination at NASA. Under the able leadership of Jim Fletcher, you've moved quickly to implement the recommendations of the Phillips task force and the Rogers commission and have just completed a broad and important reorganization. Everyone on the NASA team has again shown their dedication, their commitment to excellence, and now NASA has begun to resume its forward progress. This year we mark the third decade of space exploration. In those three decades, with NASA in the lead, mankind has received images from the outer reaches of our planetary system, sampled the climate of Mars, learned new and undreamed of truths about our own planet, and landed a man on the Moon.

In the next three decades NASA will again lead in mankind's dreams. In just 2 years *Voyager II* will pass Neptune and unlock for us the secrets of that distant brother to our own Earth. By the end of the next decade, the *Galileo* orbiter and probe will tell us more than ever before about Jupiter; and the Hubble space telescope will be in orbit, looking into deep space, helping us understand the creation of solar systems like our own; and in an international project, the *Ulysses* probe will teach us more about the Sun. These unmanned projects are the scouts for manned space travel of decades to come. In the next decade we in America will continue man's personal adventure into space. You will soon be starting development on the space station to have it ready by the midnineties.

The space station will be our gateway to the universe, our foothold in outer space, the keystone of our space program. With it as our base camp, we will be able to reach the planets and, perhaps one day, to the stars. We hope our friends and allies will join us in this great adventure.

But that's not all you'll be doing in the decade and more to come. Here at home, you'll be shrinking the Earth as humanity never before dreamed. You will be developing a space plane, so that one day ordinary travelers can take off on the east coast of the United States and land in Japan a little over 2 hours later. And one other thing: In the next decade we will build and fly a new space shuttle. For me, this is a special commitment. In the first moments of grief and shock, the bereaved families of the crew urged us to carry on and keep the space program moving forward. We owe it to them and to those whom we, too, lost to do just that. Now, I know that voices have been raised from time to time saying, "Oh yes, it's exciting and adventurous, but does it have any practical value to justify its costs?"

Well, the answer to that question is a resounding yes. Perhaps we've been derelict in not doing more to make known the literally thousands of human-oriented technological developments that have spun off from the program and which will affect all our lives and the lives of our children and our children's children. There's every reason to believe these spinoffs will become of tremendous value. Already they include lifesaving technologies like the programmable heart pacemaker, the CAT scanner, and lifesaving fireproof vests for firemen. Space spinoffs have made drinking water safer for communities in developing countries. Technology from the Lunar Rover now makes it possible for paraplegics to drive automobiles, and drive them safely. Our automobile engineers in Detroit are using lightweight, superstrong, plastic-like materials—outgrowths of space program technology—to reduce the weight of cars. For consumers that means more miles per gallon. And in the future the space program will be making materials in space, where we can manufacture in 1 month's time lifesaving

medicines that it would take 30 years to produce here on Earth. I understand that a project is now being developed to pass on to all Americans specific knowledge of this aspect of the space program. The United States Space Foundation, a nonprofit educational foundation, is preparing a series of TV and radio public service statements so that all Americans will be aware of these achievements and how they will benefit all of our lives. I think this is a worthy effort.

Yes, whether it's in the exploration of space or the applications of space research here at home, the future to which you are leading us is bright; the challenge that you're shouldering for all mankind is one

that we cannot turn away from. We owe it to our children and their children and generations beyond. We owe it to ourselves. We owe it to those who, with all their love and joy and courage, taught us again, just 1 year ago today, that "mankind's reach must exceed its grasp, or what's a heaven for?"

Thank you all. God bless you.

Note: The President spoke at 3 p.m. from the Oval Office at the White House. His remarks were televised via satellite to NASA installations worldwide. James C. Fletcher was the Administrator of the National Aeronautics and Space Administration.

Proclamation 5603—National Challenger Center Day, 1987 *January 28, 1987*

*By the President of the United States
of America*

A Proclamation

Will America continue to lead the world in space exploration as we move into the 21st century?

The Challenger crew, lost one year ago on the 25th Space Shuttle mission, dedicated themselves to America's leadership in space exploration. That leadership depends not only on our courage and determination, but also on the knowledge, capability, and inspiration of our students who will be the researchers and the astronauts of the 21st century.

A goal of the Space Shuttle Challenger mission was to bring the study of space science directly and dramatically into the Nation's classrooms.

In recognition of the critical need to provide America's students with access to outstanding space science education and to motivate study and excellence in science, the families of the Challenger crew established a Challenger Center for Space Science Education. This Center will honor the memory of the Challenger crew with an ongoing monument to their achievements, to their courage, and to their dedication to future generations of space explorers.

In commemoration of the brave members of the Challenger crew, the Congress, by Senate Joint Resolution 24, has designated January 28, 1987, as "National Challenger Center Day" and authorized and requested the President to issue a proclamation in observance of this event.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim January 28, 1987, as National Challenger Center Day, and I call on the people of the United States to observe this day by remembering the Challenger astronauts who died while serving their country and by reflecting upon the important role the Challenger Center will play in honoring their accomplishments and in furthering their goal of strengthening space and science education.

In Witness Whereof, I have hereunto set my hand this twenty-eighth day of January, in the year of our Lord nineteen hundred and eighty-seven, and of the Independence of the United States of America the two hundred and eleventh.

RONALD REAGAN

[Filed with the Office of the Federal Register, 11:58 a.m., January 29, 1987]

Proclamation 5604—American Heart Month, 1987 January 28, 1987

*By the President of the United States
of America*

A Proclamation

Cardiovascular diseases, including heart disease, stroke, and other vascular disorders, will claim the lives of nearly one million Americans this year. Cardiovascular disease is this Nation's number one health problem—causing more deaths than cancer, accidents, pneumonia, and influenza combined—and one-fifth of all people killed by cardiovascular disease are younger than 65.

More than 63 million of our citizens, more than one-fourth of our population, suffer from some form of cardiovascular disease. High blood pressure alone threatens the lives of more than 57 million Americans age 6 and older. Heart disease strikes regardless of age, race, or sex, and its toll in human suffering is incalculable.

The American Heart Association estimates the economic cost of cardiovascular diseases in 1987 will be more than \$85 billion in lost productivity and medical expenses.

But we are making progress against the Nation's number one killer. The American Heart Association, a not-for-profit volunteer health agency, and the Federal government, through the National Heart, Lung and Blood Institute, have been working together since 1948 to find better ways to prevent cardiovascular diseases and stroke and to inform the public and educate the medical community about the most effective techniques to treat the disease.

Medical advances such as new surgical techniques to repair heart defects, improved pharmacological therapies, emergency systems to prevent death, and knowledge to prevent heart disease from occurring have significantly reduced premature death and disability due to cardiovascular disease and stroke. From 1972 to 1984, the death rate has dropped 32.5 percent.

Cardiologists and other health profession-

als are seeking to reduce the risk of heart disease, stroke, and atherosclerosis (hardening of the arteries) by encouraging Americans to control high blood pressure, stop smoking, and reduce the amount of cholesterol, saturated fats, and sodium in their diets. The American Heart Association, working with two million volunteers, has contributed to this effort through its support of research and its commitment to educating Americans about the need to adopt a sound regimen of proper diet and exercise.

The Federal government, for its part, supports a wide array of cardiovascular research projects and encourages our people to reduce the risks of heart disease by maintaining good health habits.

Recognizing that Americans everywhere have a role to play in this continuing battle against a major killer, the Congress, by Joint Resolution approved December 30, 1963 (77 Stat. 843; 36 U.S.C. 169b), has requested the President to issue annually a proclamation designating February as American Heart Month.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim the month of February 1987 as American Heart Month. I invite the Governors of the States, the Commonwealth of Puerto Rico, officials of other areas subject to the jurisdiction of the United States, and the American people to join me in reaffirming our commitment to combatting cardiovascular diseases.

In Witness Whereof, I have hereunto set my hand this twenty-eighth day of January, in the year of our Lord nineteen hundred and eighty-seven, and of the Independence of the United States of America the two hundred and eleventh.

RONALD REAGAN

[Filed with the Office of the Federal Register, 11:59 a.m., January 29, 1987]

Message to the Congress Reporting Budget Rescissions and Deferrals

January 28, 1987

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report seven revised rescission proposals now totaling \$723,461,329, twenty-five new deferrals of budget authority totaling \$257,977,000, and one revised deferral of budget authority now totaling \$7,162,831.

The rescissions affect programs in the Departments of Agriculture, Commerce, Education, Energy, Health and Human Services, and Interior.

The deferrals affect programs in the Departments of Agriculture, Defense-Civil, Health and Human Services, Labor and

Transportation, Funds Appropriated to the President, the Environmental Protection Agency, and the United States Railway Association.

The details of these rescission proposals and deferrals are contained in the attached report.

RONALD REAGAN

The White House,
January 28, 1987.

Note: The attachment detailing the proposed rescissions and deferrals was printed in the "Federal Register" of February 4.

Executive Order 12581—President's Special Review Board

January 28, 1987

By the authority vested in me as President by the Constitution and laws of the United States of America, and in order to extend the time within which the President's Special Review Board may submit its findings and recommendations to the President, it is hereby ordered that Section 2(b) of Executive Order No. 12575, of December 1, 1986, is amended to provide as follows:

"(b) The Board shall submit its findings and recommendations to the President by February 19, 1987."

RONALD REAGAN

The White House,
January 28, 1987.

[Filed with the Office of the Federal Register, 12 m., January 29, 1987]

Statement on Signing the Bill Prohibiting Strikes or Lockouts During the Long Island Rail Road Labor-Management Dispute

January 28, 1987

I have today signed H.J. Res. 93, which temporarily prohibits strikes or lockouts with respect to an ongoing dispute between the Long Island Rail Road and certain labor organizations representing its employees. The urgency with which this legislation was passed reflects the enormous hardship vis-

ited upon the citizens of the communities served by the Long Island Rail Road that has been caused by the current strike, now in its second week.

In the rush to pass this emergency measure, however, I am advised that the drafters of the joint resolution borrowed heavily

from legislation passed during 1986 in the context of a dispute arising under section 10 of the Railway Labor Act. While section 10 deals with rail strikes that threaten essential transportation services of significance to the entire Nation, the dispute this legislation addresses arises under section 9A of the act, which covers rail commuter services that are generally local in nature. The distinction is important because the words "essential transportation services" in section 10 are a term of art, used to describe the circumstances in which certain discretionary Presidential actions authorized in the act are warranted.

The current dispute under section 9A, as disruptive as it is to those who commute on the Long Island Rail Road, does not threaten the essential transportation services of the Nation as a whole nor does it threaten the national health or defense. Characterizing the shutdown of the Long Island Rail Road as a threat to essential transportation services could have the undesirable effect of requiring Federal involvement in the future in a multitude of local disputes which should be settled by collective bargaining. I have been informed that the proponents of H.J. Res. 93 attribute the overly broad language in the bill to the exigencies of hurriedly redrafting the earlier legislation used as a model. I am satisfied from the remarks on the floor of the Senate immediately prior to passage of the joint resolution

that the references to "essential transportation services of the Nation" and to the "national health and defense" are intended to have no effect whatsoever in determining the appropriate circumstances for the exercise of Presidential discretion under section 10 of the Railway Labor Act.

There is one additional respect in which I hope that this legislation will not serve as a precedent. The passage of this legislation marks the first time that the Congress has intervened in a labor dispute under section 9A of the Railway Labor Act. Even in those cases where the national well-being and safety are directly affected, the Congress and this administration agree that the Federal Government should be reluctant to interfere in the collective bargaining process. This is especially true in the case of rail commuter services that serve discrete localities. The integrity of the administrative procedures under the Railway Labor Act depends upon the willingness and ability of the parties to settle disputes themselves within the time-frames mandated by the act, and subject to the discipline of the marketplace. While the temptation to intervene in local disputes such as these will always be great, the consequences for the collective bargaining process counsel strongly that we do so in only the rarest of circumstances.

Note: H.J. Res. 93, approved January 28, was assigned Public Law No. 100-2.

Message to the Congress Transmitting the Annual Economic Report of the President *January 29, 1987*

To the Congress of the United States:

For 6 years, my Administration has pursued policies to promote sustained, noninflationary growth and greater opportunity for all Americans. We have put in place policies that are in the long-term best interest of the Nation, policies that rely on the inherent vigor of our economy and its ability to allocate resources efficiently and generate economic growth. Taming the Federal Government's propensity to overspend,

and overregulate has been a major element of these policies.

The Current Expansion

Our market-oriented policies have paid off. The economic expansion is now in its fifth year, and the growth rate of the gross national product, adjusted for inflation, should accelerate to 3.2 percent in 1987. By October, the current expansion will become the longest peacetime expansion of the

postwar era.

Since the beginning of this expansion, the economy has created more than 12 million new jobs. In each of the past 2 years, the percentage of the working-age population with jobs was the highest on record. Although I am encouraged by the fall in the overall unemployment rate to 6.6 percent in December 1986, I will not be satisfied until all Americans who want to work can find a job.

Our efforts to reduce taxes and inflation and to eliminate excessive regulation have created a favorable climate for investing in new plant and equipment. Business fixed investment set records as a share of real gross national product in 1984 and 1985, and remains high by historical standards.

Despite the economy's tremendous gains in employment and production, inflation has remained below or near 4 percent for the past 5 years and, in 1986, declined to its lowest rate in 25 years. Although last year's low inflation rate in part reflected the substantial decline in energy prices during 1986, we expect inflation in 1987 to continue at the moderate pace experienced during the first 3 years of the expansion. The financial markets have acknowledged our progress in reducing inflation from its double-digit levels, and interest rates declined during 1986, reaching their lowest levels in 9 years. To sustain these developments, the Federal Reserve should continue to pursue monetary and credit policies that serve the joint goals of growth and price stability.

In short, since 1982, we have avoided the economic problems that plagued our recent past—accelerating inflation, rising interest rates, and severe recessions. Production and employment have grown significantly, while inflation has remained low and interest rates have declined. This expansion already has achieved substantial progress toward our long-term goals of sustainable economic growth and price stability.

The Economic Role of Government

Government should play a limited role in the economy. The Federal Government should encourage a stable economy in which people can make informed decisions. It should not make those decisions for them,

nor should it arbitrarily distort economic choices by the way it taxes or regulates productive activity. It should not and cannot continue to spend excessively, abuse its power to tax, and borrow to live beyond its means.

The Federal Government should provide certain goods and services, public in nature and national in scope, that private firms cannot effectively provide—but it should not try to provide public goods and services that State or local governments can provide more efficiently. When government removes decisions from individuals and private firms, incentives to produce become dulled and distorted; growth, productivity, and employment suffer. Therefore, to the greatest extent possible, the Federal Government should foster responsible individual action and should rely on the initiative of the private sector.

Tax Reform

My 1984 State of the Union Message set tax reform as a national priority. After more than 2 years of bipartisan effort, we achieved our goal last fall when I signed into law the Tax Reform Act of 1986. Tax reform broadens the personal and corporate income tax bases and substantially reduces tax rates. These changes benefit Americans in at least three ways.

First, by reducing marginal tax rates, tax reform enhances incentives to work, save, and invest. Second, by reducing disparities in tax rates on income from alternative capital investments, tax reform encourages more efficient deployment of investment funds. Investment decisions will now reflect the productive merits of an activity more than its tax consequences, leading to a more efficient allocation of resources, higher growth, and more jobs. Finally, tax reform makes the tax system more equitable. The simpler, lower rate structure will make compliance easier and tax avoidance less attractive. Americans will know that everyone is now paying his or her fair share and is not hiding income behind loopholes or in unproductive shelters. Tax reform will especially benefit millions of working poor by removing them from the Federal income tax rolls.

Remaining Challenges of Economic Policy

We have successfully reformed the tax code, controlled inflation, and reduced government intervention in the economy. The result has been an expansion of production and employment, now in its fifth year, which we fully expect will continue with greater strength in 1987. Although much has been accomplished, we must and will address the remaining challenges confronting the economy. We must continue to reduce the Federal budget deficit through spending restraint. We must reduce the trade deficit, while avoiding protectionism. We must strengthen America's productivity and competitiveness in the world economy. And we must reform our costly, inefficient, and unfair agricultural programs.

Control Federal Spending.—For the first time since 1973, Federal spending in 1987 will fall in real terms. As a result, the Federal budget deficit will decline from its 1986 level by nearly \$50 billion. My budget for 1988 continues this process by meeting the Gramm-Rudman-Hollings deficit target of \$108 billion.

Deficit reduction must continue and must be achieved by restraining the growth of Federal spending—not by raising taxes, which would reduce growth and opportunity. Large and persistent Federal deficits shift the burden of paying for current government spending to future generations. Deficit reduction achieved through spending restraint is essential if we are to preserve the substantial benefits of tax rate reduction and tax code reform; it is also essential for reducing our international payments imbalances. Finally, spending on many programs exceeds the amounts necessary to provide essential Federal services in a cost-effective manner.

Besides exercising spending restraint, we must reform the budget process to build a check on the Federal Government's power to overtax and overspend. I support a constitutional amendment providing for a balanced peacetime budget, and I ask the Congress to give the President the same power that 43 Governors have—the power to veto individual line items in appropriations measures.

Maintain Free and Fair Trade.—One of

the principal challenges remaining for the U.S. economy is to reduce our trade deficit. However, we cannot accomplish this, or make American firms more competitive, by resorting to protectionism. Protectionism is antigrowth. It would make us less competitive, not more. It would not create jobs. It would hurt most Americans in the interest of helping a few. It would invite retaliation by our trading partners. In the long run, protectionism would trap us in those areas of our economy where we are relatively weak, instead of allowing growth in areas where we are relatively strong.

We cannot gain from protectionism. But we can gain by working steadfastly to eliminate unfair trading practices and to open markets around the world. This year, I will continue to press to open foreign markets and to oppose vigorously unfair trading practices wherever they may exist. In addition, I will ask the Congress to renew the President's negotiating authority for the Uruguay Round under the General Agreement on Tariffs and Trade. These talks offer an important and promising opportunity to liberalize trade in areas critical to the United States; trade in services, protection of intellectual property rights, fair rules governing international investment, and world trade in agricultural products.

More remains to be done to end our trade deficit. We must sustain world economic growth, increase productivity, and restrain government spending. For U.S. exports to grow, the economies of our trading partners must grow. Therefore, it is essential that our trading partners enact policies that will promote internally generated economic growth. At the Tokyo Economic Summit last year, the leaders of the seven largest industrial countries continued efforts, begun at the Versailles Economic Summit in 1982, to increase international coordination of economic policies. We must also continue to encourage developing countries to adopt policy reforms to promote growth and restore creditworthiness.

Here in the United States, we must restrain government spending. Our trade deficit in goods and services reflects that, over the past several years, we have spent more than we have produced—and we have

spent too much because of the profligacy of the Federal Government. As the Congress reviews my proposed 1988 budget, it should remember that a vote for more government spending is a vote against correcting our trade deficit.

Strengthen Productivity and Competitiveness.—We must work to improve our international competitiveness through greater productivity growth. The depreciation of the dollar since early 1985 has done much to restore our competitiveness. However, we do not want to rely on exchange-rate movements alone. Productivity growth provides the means by which we can strengthen our competitiveness while increasing income and opportunity. Since 1981, U.S. manufacturing productivity has grown at a rate 46 percent faster than the postwar average. This is a solid accomplishment, but still more remains to be done. We must encourage continued productivity growth in manufacturing and in other sectors of our economy.

One way to strengthen our global competitiveness is to free American producers from unnecessary regulation. My Administration has sought to deregulate industries in which increased competition will provide greater benefits to consumers and producers. It has also streamlined the Federal Government's regulatory structure. Americans have benefited significantly from the deregulation of airlines, financial services, railroads, and trucking. I will resist any attempt to reregulate these industries. Our economy will benefit further if we eliminate natural gas price controls, remaining trucking regulations, and unnecessary labor market restrictions. Also, without compromising the Nation's air quality, we should eliminate the bias that exists in current air pollution regulations against cleaner and more efficient new factories and power facilities. Where regulation is necessary, its costs should be balanced against its benefits to ensure that regulatory efforts are applied where they do the most good and to avoid placing American firms at a competitive disadvantage in the world marketplace.

Privatization shifts the production of goods and services from government ownership to the private sector. Privatization can also improve American competitiveness

because private firms can produce better quality goods and services, and deliver them to consumers at lower cost, than can government. For these reasons, Americans benefit when government steps aside. Like deregulation and federalism, privatization embodies my Administration's belief that the Federal Government should minimize its interference in the marketplace and in local governance. We must return more government activities to the competitive marketplace by selling or transferring government-owned businesses. In 1986, the Congress authorized the Department of Transportation to sell Conrail in a public offering, which we hope will take place this year. Other businesses suitable for privatization include the Naval Petroleum Reserves, the Alaska Power Administration, and Amtrak.

Reform Agricultural Policies.—Another high priority in 1987 must be to reform our agricultural programs. Besides costing taxpayers \$34 billion this year alone, these programs divert land, labor, and other resources from their most productive uses. Most farm programs are costly and unfair because they give literally millions of dollars to relatively few individuals and corporations while many family farmers—who are those most often in need—receive little. In the process, farm programs raise the prices of many food items for all Americans, rich and poor.

Farm income support should not be linked to production through direct subsidies or propped-up prices for agricultural products. My Administration will seek a market-oriented reform package with two goals: gradually separating farm income support from farm production, and focusing that income support on those family farmers who need it most.

Conclusion

The economic policies of my Administration have created greater economic freedom and opportunity for men and women, private firms, and State and local governments to pursue their own interests and make their own decisions. These policies have produced a sustained economic expansion with low inflation, lower tax rates and a

simpler tax code, the unshackling of industries from regulation, a surge in investment spending, and more than 12 million new jobs.

The American people demand a sound, productive, growing economy. Therefore, I shall continue to pursue policies to encourage growth, reduce the Federal budget deficit, correct the trade deficit, and strengthen the competitiveness of American producers. The American people will not tolerate a replay of the failed economic policies of the past. Therefore, I shall resist propos-

als to adopt any economic policy that abandons the accomplishments of tax reform, stifles growth, fuels inflation, perpetuates needless government interference in the marketplace, or fosters protectionism. With the help and cooperation of the Congress, we can sustain and strengthen the current economic expansion, and preserve and extend the economic achievements of the past 6 years.

RONALD REAGAN

January 29, 1987

Message to the Senate Transmitting a Protocol to the 1949 Geneva Conventions

January 29, 1987

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, Protocol II Additional to the Geneva Conventions of 12 August 1949, concluded at Geneva on June 10, 1977. I also enclose for the information of the Senate the report of the Department of State on the Protocol.

The United States has traditionally been in the forefront of efforts to codify and improve the international rules of humanitarian law in armed conflict, with the objective of giving the greatest possible protection to victims of such conflicts, consistent with legitimate military requirements. The agreement that I am transmitting today is, with certain exceptions, a positive step toward this goal. Its ratification by the United States will assist us in continuing to exercise leadership in the international community in these matters.

The Protocol is described in detail in the attached report of the Department of State. Protocol II to the 1949 Geneva Conventions is essentially an expansion of the fundamental humanitarian provisions contained in the 1949 Geneva Conventions with respect to non-international armed conflicts, including humane treatment and basic due process for detained persons, protection of the wounded, sick and medical units, and protection of noncombatants from attack and

deliberate starvation. If these fundamental rules were observed, many of the worst human tragedies of current internal armed conflicts could be avoided. In particular, among other things, the mass murder of civilians is made illegal, even if such killings would not amount to genocide because they lacked racial or religious motives. Several Senators asked me to keep this objective in mind when adopting the Genocide Convention. I remember my commitment to them. This Protocol makes clear that any deliberate killing of a noncombatant in the course of a non-international armed conflict is a violation of the laws of war and a crime against humanity, and is therefore also punishable as murder.

While I recommend that the Senate grant advice and consent to this agreement, I have at the same time concluded that the United States cannot ratify a second agreement on the law of armed conflict negotiated during the same period. I am referring to Protocol I additional to the 1949 Geneva Conventions, which would revise the rules applicable to international armed conflicts. Like all other efforts associated with the International Committee of the Red Cross, this agreement has certain meritorious elements. But Protocol I is fundamentally and irreconcilably flawed. It contains provisions that would undermine humanitarian law

and endanger civilians in war. One of its provisions, for example, would automatically treat as an international conflict any so-called "war of national liberation." Whether such wars are international or non-international should turn exclusively on objective reality, not on one's view of the moral qualities of each conflict. To rest on such subjective distinctions based on a war's alleged purposes would politicize humanitarian law and eliminate the distinction between international and non-international conflicts. It would give special status to "wars of national liberation," an ill-defined concept expressed in vague, subjective, politicized terminology. Another provision would grant combatant status to irregular forces even if they do not satisfy the traditional requirements to distinguish themselves from the civilian population and otherwise comply with the laws of war. This would endanger civilians among whom terrorists and other irregulars attempt to conceal themselves. These problems are so fundamental in character that they cannot be remedied through reservations, and I therefore have decided not to submit the Protocol to the Senate in any form, and I would invite an expression of the sense of the Senate that it shares this view. Finally, the Joint Chiefs of Staff have also concluded that a number of the provisions of the Protocol are militarily unacceptable.

It is unfortunate that Protocol I must be rejected. We would have preferred to ratify such a convention, which as I said contains certain sound elements. But we cannot allow other nations of the world, however numerous, to impose upon us and our allies and friends an unacceptable and thoroughly distasteful price for joining a convention drawn to advance the laws of war. In fact, we must not, and need not, give recognition and protection to terrorist groups as a price for progress in humanitarian law.

The time has come for us to devise a solution for this problem, with which the United States is from time to time confronted. In this case, for example, we can reject Protocol I as a reference for humanitarian law, and at the same time devise an alternative reference for the positive provisions of Protocol I that could be of real humanitarian benefit if generally observed by parties to international armed conflicts. We are therefore in the process of consulting with our allies to develop appropriate methods for incorporating these positive provisions into the rules that govern our military operations, and as customary international law. I will advise the Senate of the results of this initiative as soon as it is possible to do so.

I believe that these actions are a significant step in defense of traditional humanitarian law and in opposition to the intense efforts of terrorist organizations and their supporters to promote the legitimacy of their aims and practices. The repudiation of Protocol I is one additional step, at the ideological level so important to terrorist organizations, to deny these groups legitimacy as international actors.

Therefore, I request that the Senate act promptly to give advice and consent to the ratification of the agreement I am transmitting today, subject to the understandings and reservations that are described more fully in the attached report. I would also invite an expression of the sense of the Senate that it shares the view that the United States should not ratify Protocol I, thereby reaffirming its support for traditional humanitarian law, and its opposition to the politicization of that law by groups that employ terrorist practices.

RONALD REAGAN

The White House,
January 29, 1987.

Letter to the Speaker of the House of Representatives and the Chairman of the Senate Foreign Relations Committee Reporting on the Cyprus Conflict

January 29, 1987

Dear Mr. Speaker: (Dear Mr. Chairman:)

In accordance with Public Law 95-384, I am submitting to you a bimonthly report on progress toward a negotiated settlement of the Cyprus question.

During this period U.N. Secretary General Perez de Cuellar continued his mission of good offices to achieve a negotiated Cyprus settlement. U.N. Under Secretary General Goulding visited Cyprus from November 6 to 12 to follow up on the Secretary General's discussions with Greek and Turkish Cypriot leaders in September and to explore with them how best to move forward.

According to the Secretary General's December 2 report to the Security Council on the U.N. operation in Cyprus (enclosed), Mr. Goulding discussed with the two Cypriot sides the Secretary General's approach to his mission of good offices and his effort to help the two parties achieve a negotiated settlement. He told the parties that the Secretary General was determined to pursue his efforts, preserving all that had been achieved so far and building on it for future progress.

The two Cypriot sides reiterated to Mr. Goulding their positions on the draft frame-

work agreement submitted by the Secretary General last March. They also expressed their support for the Secretary General's good offices mission.

Mr. Goulding also visited Ankara and Athens and informed the Turkish and Greek governments of his discussions in Cyprus.

Mr. M. James Wilkinson, the U.S. Special Cyprus Coordinator, visited Cyprus January 19 to 22 and met with President Kyprianou and Mr. Denktash. Mr. Wilkinson reiterated during his discussion our sincere interest in progress toward a just and lasting Cyprus settlement and our support for the efforts of the U.N. Secretary General to reach that goal. We are continuing our consultations with the Secretary General and with the parties to help them find ways to move forward.

Sincerely,

RONALD REAGAN

Note: Identical letters were sent to Jim Wright, Speaker of the House of Representatives, and Claiborne Pell, chairman of the Senate Foreign Relations Committee.

Statement by Special Counsellor to the President Abshire on the Iran Arms and *Contra* Aid Controversy

January 29, 1987

The President has consistently urged the release by the Senate Select Committee on Intelligence of its report on the Iran matter and the alleged diversion of funds to the anti-Sandinista forces and is pleased that this has now occurred. The committee's

report is an important step toward getting to the bottom of this matter, as the President has promised. Toward this end, the President will continue to work with the select committees in Congress, the Tower board, and the Independent Counsel.

Announcement of the Presentation of the Presidential Citizens Medal to Larry M. Speakes *January 30, 1987*

The President today awarded the Presidential Citizens Medal to Larry M. Speakes, Assistant to the President and Principal Deputy Press Secretary.

The Presidential Citizens Medal was established by Executive Order 11494 of November 13, 1969, for the purpose of recognizing citizens of the United States of America who have performed exemplary deeds of service for their country or their fellow citizens. The medal may be bestowed by the President upon any citizen of the United States at the sole discretion of the President. The announcement of the granting of the medal and the presentation ceremonies may take place at any time during the year.

The citation reads as follows:

In journalism, politics, and Government, Larry Speakes has faithfully served the cause of truth and, in doing so, has served the cause of America. Veteran of the White House press office for 9 years under three administrations, conducting some 2,000 daily press briefings during this Administration, Larry Speakes has become a familiar sight to all of us. America has come to know him as a man cool under pressure, conscientiously working to get the facts out—a man whom the American people could always count on to tell them the truth. America is more knowledgeable because of Larry Speakes.

Prior to joining the White House staff as Deputy Press Secretary to the President on January 20, 1981, Mr. Speakes was vice president of the international public relations firm of Hill and Knowlton in 1977–1981. He served as deputy spokesman in the office of the President-elect during transition and was on the communications staff of the Reagan-Bush Committee during the 1980 campaign. The President appointed him to his current position of Assistant to the President and Principal Deputy Press Secretary on August 5, 1983. Mr. Speakes started his newspaper career in 1961 as

editor of the Oxford (Mississippi) Eagle and was managing editor of the Bolivar Commercial in Cleveland, MS, in 1962–1966. He was general manager and editor of Progress Publishers of Leland, MS, publishing weekly newspapers in four cities, 1966–1968. His newspapers won top awards from the Mississippi Press Association for 6 straight years.

Mr. Speakes came to Washington in 1968 as press secretary to Senator James O. Eastland (D-MS), serving as spokesman for the Committee on the Judiciary and a coordinator for Senator Eastland's 1972 reelection campaign. During his service with Senator Eastland, Mr. Speakes directed press relations for major Judiciary Committee hearings, including the confirmation of four Supreme Court Justices. In 1974 Mr. Speakes joined the Nixon administration as a Staff Assistant to the President and was later appointed Press Secretary to the Special Counsel to the President. In August 1974 he became Assistant Press Secretary to the President in the Ford administration. During the 1976 Presidential campaign, he was Press Secretary to Senator Bob Dole (R-KS), the Republican candidate for Vice President. When President Ford left office in 1977, Mr. Speakes became his press secretary, serving until June 1, 1977.

Mr. Speakes attended the University of Mississippi, where he majored in journalism. He has received honors and awards, including the Distinguished Journalism Alumni Award from the University of Mississippi in 1981; Kappa Sigma Fraternity National Man of the Year Award in 1982; honorary doctor of letters degree from Indiana Central University in 1982; and the Special Achievement Award for 1983 from the National Association of Government Communicators. He is married to the former Laura Crawford, has three children, and resides in Annandale, VA.

Statement by Principal Deputy Press Secretary Speakes on the Iran Arms and *Contra* Aid Controversy January 30, 1987

The President is pleased that the first report on the Iran matter is out and that it confirms his position that he neither authorized nor was aware of the alleged transfer of funds to the *contras*.

The report is consistent with the President's position that, from its inception, the Iran initiative was an effort to open a dialog with top officials of a strategically important country. Numerous documents summarized in the report indicate that this was the view of Iranians, as well as those on the American side. In implementing this policy, the release of hostages was an important preliminary step intended to show that the Iranians would no longer support terrorism and the sale of arms was a gesture of good faith on the part of the United States in pursuing this strategic opening. To be sure, the linking of arms sales to the release of hostages at several points during this 15-month episode could be interpreted as a trade of arms for hostages, but this was not the policy approved by the President.

The report contains no evidence whatsoever that the President was aware of, let alone approved, any diversion of funds to the *contras*. The report brings to light for the first time statements by Lt. Col. Oliver North—in his initial interview with Attorney General Meese—to the effect that he did not believe that the President was aware of the alleged diversion. In addition, Admiral Poindexter's statements to Mr. Meese and Donald Regan—that he had not inquired into the matter because “he felt sorry for the the *contras*”—substantiates the President's statements that he was never told of this plan.

Note: Larry M. Speakes read the statement to reporters at 9:15 a.m. in the Briefing Room at the White House. Oliver North was a former National Security Council staff member, John M. Poindexter was Assistant to the President for National Security Affairs, and Donald T. Regan was Assistant to the President and Chief of Staff.

Appointment of Charles D. Hobbs as Assistant to the President January 30, 1987

The President today announced the appointment of Charles D. Hobbs to be Assistant to the President, with primary responsibility to develop and implement reforms of the Nation's public assistance system. He will assume his duties immediately.

Since 1984 Mr. Hobbs has served as Deputy Assistant to the President for Policy Development, and since 1985 he has directed the White House Office of Policy Development. Previously, Mr. Hobbs was president and principal consultant of Charles D. Hobbs, Inc., a California-based public policy and management consulting firm. His company has served a wide variety of Federal, State, and local government agencies in the development of public service programs

and management plans. Mr. Hobbs was chief deputy director of social welfare in California, 1970–1972, and also served on then-Governor Reagan's tax limitation and local government task forces in 1973 and 1974. He was a delegate to the Economic Summit Conference on Inflation in 1975. Mr. Hobbs designed and managed the development of computer-based information and command/control systems from 1958 to 1970.

He graduated with honors from Northwestern University (B.S., 1955) and was a Woodrow Wilson fellow at UCLA in 1958 and 1959. He was a distinguished military graduate at Northwestern in 1955 and served 3 years as an officer in the United

States Air Force. He is married to Judith Fozzard Hobbs and has three sons: Charles, Jonathan, and Jeremy. Mr. Hobbs was born on September 2, 1933, in Kansas City, MO.

Appointment of Gary L. Bauer as Assistant to the President for Policy Development

January 30, 1987

The President today announced the appointment of Gary L. Bauer to be Assistant to the President for Policy Development. He will succeed John A. Svahn.

Since October of 1982 Mr. Bauer has been at the Department of Education as Deputy Under Secretary for Planning, Budget and Evaluation; and since 1985 he has been Under Secretary of Education. Previously, Mr. Bauer served in the White House Office of Policy Development, first as a policy analyst and then as a policy adviser to the President and finally as Deputy

Assistant Director of Legal Policy, 1981–1982; as assistant director for policy/community services administration in the office of the President-elect, 1980–1981; and as a senior policy analyst in the Reagan-Bush campaign.

Mr. Bauer graduated from Georgetown College in Georgetown, KY, (B.A., 1968) and Georgetown University Law School in Washington, DC, (J.D., 1973). He is married to the former Carol Hoke, and they have three children. Mr. Bauer was born May 4, 1946, in Covington, KY.

Remarks on Signing the Message to the House of Representatives Returning Without Approval the Water Quality Act of 1987

January 30, 1987

The President. Welcome to the Old Executive Office Building. I'm still trying to find out how they got this thing built, because I think it was built before they had those big derricks. [Laughter] Well, it's good to see so many old friends and allies from the many battles of the budget that we've fought together. Despite the momentum of 30 years of steady growth in Federal spending, we've made, in these past 6 years, dramatic progress. For the first time in more than a decade, in real terms, the Federal Government this fiscal year is spending less than a year ago. And they said it couldn't be done.

Well, with Federal spending gradually being reined in, we've been able to reduce tax rates, bring inflation under control, and unleash the greatest antipoverty engine known to man: the free enterprise system of the United States of America. In the last 50 months almost 13 million new jobs have been created; 61 percent of the population

over 16 years old—the highest on record—has gone to work. The stock market has doubled in value. And we've embarked upon what could become the longest peacetime expansion since the Second World War. These are tremendous accomplishments, accomplishments that must be protected. Which brings me to the subject of this gathering today.

In the last 2 weeks, as its first major official act, the 100th Congress enacted an \$18 billion sewage treatment program that is so loaded with waste and larded with pork I cannot in conscience sign it. Not only is this act of Congress unacceptable as written, it is sad and deeply troubling for what it portends. Let me give you a brief history of this legislation. In 1985 we proposed a generous \$6 billion program to carry on and win the fight against pollution in America's estuaries, lakes, rivers, and streams. Both

political parties long ago agreed on the need for this legislation, and I felt that the executive branch and the Congress could surely agree on the amount. Well, last fall, however, as the campaign began to heat up, Congress tripled our proposal to \$18 billion; and I was forced to use a pocket veto to protect the budget gains that we had made.

Early in the new year, in a spirit of compromise, we offered to Congress a doubling of the spending that we had proposed—in other words, splitting the difference. We would go to \$12 billion, and we found ways and means to achieve this within the Gramm-Rudman-Hollings deficit targets. By offering to split the difference, we felt we could solve the problem to everyone's satisfaction and get on with the business of government. Not only, however, did the new Congress spurn our compromise, it sent down the same old \$18 billion budget-buster with virtually unanimous support, defying me to veto again a piece of legislation that had something in it for most of the Members of both Houses.

Well, I accept that challenge, and I am vetoing this legislation. And let me tell you why. First, countless projects in this bill have less to do with water than they do with the politics of the pork barrel, with enabling Members of Congress to go home to their districts and say: Look how I brought home the bacon. Second, if this legislation is allowed to pass without my protest, it'll send a powerful signal to the markets of the Nation and the world that the United States has, once again, abandoned the high road of fiscal responsibility, that we're, once again, starting down the same dismal and discredited path of spend and spend that led to the near ruination of our economy less than a decade ago.

Now, I know this veto is going to be over-ridden. I know I do not have the votes to sustain it. But it's time we did the right thing—all of us—regardless of the political fallout. Just 3 nights ago, the Congress of the United States rose in unanimous applause when I declared from the Speaker's

podium that the U.S. budget deficit was unacceptable and outrageous. Well, I'm now asking them to stand with me in the first great battle of the deficit in the 100th Congress. My friends on Capitol Hill, you cannot have it both ways. You cannot vote to radically increase deficits one day and decry them before the Nation the next. It's time for a little more political courage, a little more political consistency on the part of all of us.

With this veto I am imploring the Congress, once again, to stop, reflect, and reconsider before plunging ahead on this course. Do you really want to return to the politics of spend and spend? Do you really want to put at risk the immense progress that we've made together? Do you really want to aggravate a budget deficit as the primary cause of a trade deficit that has already cost thousands and thousands of American jobs? Let's not belly up to the same old bar, and let's not drive down that dangerous road again. Let's work together, both for clean water and responsible government.

In closing, let me say to both the Congress and the American people: I trust that this budget-busting water and sewer bill, the first major legislation of the new 100th Congress, proves to be an exception to the rule, an isolated error, and not a harbinger of things to come. For if it is, then Congress will not only have chosen to embark on a collision course with the executive branch, it would have risked, one day, being held fully accountable for derailing perhaps the greatest recovery the American people have ever known. Now, one bad test does not mean failing grades. So, let's hope that this is not a trend. And with that said, I shall take pen in hand.

Audience member. Just say no! [Laughter]

The President. I just said no.

Note: The President spoke at 11:03 a.m. in Room 450 of the Old Executive Office Building.

Message to the House of Representatives Returning Without Approval the Water Quality Act of 1987

January 30, 1987

To the House of Representatives:

I am returning herewith without my approval H.R. 1, the "Water Quality Act of 1987." Because all regulatory, research, enforcement, and permit issuance activities are continued under permanent law and current appropriations—including grants to finance the construction of sewage treatment plants—I emphasize that my veto will have no impact whatsoever on the immediate status of any water quality programs.

The cleanup of our Nation's rivers, lakes, and estuaries is, and has been for the past 15 years, a national priority of the highest order. This Administration remains committed to the objectives of the Clean Water Act and to continuing the outstanding progress we have made in reducing water pollution. But the issue facing me today does not concern the ensuring of clean water for future generations. The real issue is the Federal deficit—and the pork-barrel and spending boondoggles that increase it.

The Clean Water Act construction grant program, which this legislation funds, is a classic example of how well-intentioned, short-term programs balloon into open-ended, long-term commitments costing billions of dollars more than anticipated or needed. Since 1972, the Federal government has helped fund the construction of local sewage treatment facilities. This is a matter that historically and properly was the responsibility of State and local governments. The Federal government's first spending in this area was intended to be a short-term effort to assist in financing the backlog of facilities needed at the time to meet the original Clean Water Act requirements. When the program started, the cost of that commitment to the Federal taxpayer was estimated at \$18 billion. Yet to date, \$47 billion has been appropriated. H.R. 1 proposes to put still another \$18 billion of taxpayers' money into this program. Despite all this money, only 67 percent of all municipalities have actually completed the construction needed to comply with the

Clean Water Act pollution limits. On the other hand, non-municipal treatment systems, which have received no Federal funding, have completed 94 percent of the construction needed for compliance with Federal pollution standards. I want a bill that spends only what we need to spend and no more—not a blank check. For these reasons I must disapprove H.R. 1, a bill virtually identical to S. 1128, which I disapproved last November.

Money is not the only problem with this legislation. In my November 6th memorandum of disapproval, I noted that S. 1128 was unacceptable not only because it provided excessive funding for the sewage treatment grant program, but also because it reversed important reforms enacted in 1981, for example, increasing the Federal share of costs on some projects that municipalities were going to build anyway. Furthermore, both S. 1128 and this bill would also establish a federally controlled and directed program to control what is called "non-point" source pollution. This new program threatens to become the ultimate whip hand for Federal regulators. For example, in participating States, if farmers have more run-off from their land than the Environmental Protection Agency decides is right, that Agency will be able to intrude into decisions such as how and where the farmers must plow their fields, what fertilizers they must use, and what kind of cover crops they must plant. To take another example, the Agency will be able to become a major force in local zoning decisions that will determine whether families can do such basic things as build a new home. That is too much power for anyone to have, least of all the Federal government.

As part of my FY 1988 Budget, I proposed legislation that would avoid all these problems, while continuing our commitment to clean water. It would provide \$12 billion for the sewage treatment program, halfway between the \$6 billion I had proposed in 1985 and the \$18 billion the Con-

gress proposes. Senator Dole introduced this proposal as a substitute for H.R. 1.

Specifically, the Dole substitute that was voted on by the Senate was identical to all provisions of H.R. 1 for programs other than sewage treatment, with one important exception—its program for non-point source pollution was not an open end for Federal regulators. It kept Federal environmental regulators off of our farms, off of our municipal zoning boards, and out of the lives of ordinary citizens. The Dole substitute would have given States complete discretion over participation in the non-point source pollution program and complete discretion over how they used Federal funds in the program. Let me repeat—controlling non-point source pollution has the potential to touch, in the most intimate ways, practically all of us as citizens, whether farmers, business people, or homeowners. I do not believe State programs should be subject to Federal control.

The \$12 billion requested in the Dole substitute would have financed the “Federal share” of all of the treatment plants that have already been started. It would also have provided the “Federal share” of financing for all facilities needed to meet the July 1, 1988, compliance requirements in the Clean Water Act. It was as much money as we needed to get the job done—period.

The Dole substitute offered the Congress a genuine compromise that met all of the national objectives and goals. Nevertheless, the Congress chose to ignore that proposal, forgoing even the normal hearing process, and repassed last year’s legislation with virtually no changes. The House Rules Committee even prevented consideration of this compromise by the full House. They sought to challenge me. But in so doing they are sending a message to the American people and the world that those who want to raise taxes and take the lid off spending are back again. This is perilous.

H.R. 1 gave the Congress the opportunity to demonstrate whether or not it is serious about getting Federal spending under control. The Congress should fulfill its responsibility to the American people and support me on these important fiscal issues. Together we can cut the deficit and reduce spending. But by passing such measures as H.R. 1, the Congress divides our interests and threatens our future.

RONALD REAGAN

The White House,
January 30, 1987.

Note: H.R. 1, which passed over the President’s veto on February 4, was assigned Public Law No. 100-4.

Nomination of Jack F. Matlock, Jr., To Be United States Ambassador to the Soviet Union

January 30, 1987

The President today announced his intention to nominate Jack F. Matlock, Jr., a career member of the Senior Foreign Service, Class of Career Minister, as Ambassador to the Union of Soviet Socialist Republics. He would succeed Arthur Adair Hartman.

Since 1983 Mr. Matlock has been Special Assistant to the President for National Security Affairs and Senior Director of European and Soviet Affairs on the National Security Council staff. Before assuming these duties, he was U.S. Ambassador to Czechoslovakia from November 1981. Mr. Matlock earlier

served three tours of duty at the American Embassy in Moscow: as Chargé d’Affairs in 1981; deputy chief of mission, 1974–1978; and as consular officer and political officer specializing in Soviet internal affairs, 1961–1963. He also was Director of the Office of Soviet Union Affairs in the Department of State, 1971–1974; and he worked as a research analyst on Soviet affairs in the Department, 1956–1958. Mr. Matlock worked as an editor and translator on the Current Digest of the Soviet Press, 1952–1953. He joined the faculty of Dartmouth College in

1953 as instructor in Russian language and literature, where he stayed until his entry into the Foreign Service in 1956.

Mr. Matlock spent 7 years in Africa, serving as political officer at the U.S. Embassy in Accra, Ghana, 1963–1966; principal officer at our consulate in Zanzibar, 1967–1969; and as Chargé d’Affairs and deputy chief of mission at the U.S. Embassy in Dar es Salaam, Tanzania. His earlier Foreign Service assignments included a tour as consular officer in Vienna, Austria, 1958–1960. Mr. Matlock was deputy director of the For-

eign Service Institute, 1979–1980; and visiting professor of political science and diplomat in residence at Vanderbilt University during the 1978–1979 academic year.

He graduated from Duke University (A.B., 1950) and Columbia University (M.A., 1953). His foreign languages are Russian, French, German, Swahili, and Czech. Mr. Matlock is married to the former Rebecca Burrum, and they have five children. He was born October 1, 1929, in Greensboro, NC.

Appointment of Paul C. Sheeline as a Member of the Presidential Board of Advisors on Private Sector Initiatives

January 30, 1987

The President today announced his intention to appoint Paul C. Sheeline to be a member of the Presidential Board of Advisors on Private Sector Initiatives. This is a new position. The Board reports to the President through the White House Office of Private Sector Initiatives. The mission of the Board includes raising awareness, stimulating new private sector initiatives, removing barriers to public-private partnerships, and promoting the long-term development of private sector initiatives.

Mr. Sheeline is a director of Pan Am Corp., Pan American World Airways, National Westminster Bank U.S.A., and of counsel to the Washington law firm of Verner, Lipfert, Bernhard, McPherson &

Hand. Since 1966 Mr. Sheeline has been with Inter-Continental Hotels Corp. where he is now chairman of the board. Previously, he was chief executive officer, 1971–1985; president, 1971–1974; chief financial officer, 1966–1971; and with the law firm of Sullivan & Cromwell in New York City, 1948–1954. He is a member of the Council on Foreign Relations, a governor of the Foreign Policy Association, and a director of the Business Council for International Understanding.

Mr. Sheeline graduated from Harvard University (B.S., 1943; J.D., 1948). He is married, has five children, and resides in Huntington, NY. Mr. Sheeline was born June 6, 1921, in Boston, MA.

Designation of Richard W. Goldberg as a Member of the Board of Directors of the Rural Telephone Bank

January 30, 1987

The President today announced his intention to designate Richard W. Goldberg, Deputy Under Secretary for Agriculture for International and Commodity Programs, to be a member of the Board of Directors of the Rural Telephone Bank, Department of

Agriculture. He would succeed Frank W. Naylor, Jr.

Since 1983 Mr. Goldberg has been Deputy Under Secretary at the U.S. Department of Agriculture. Previously he was president of the Goldberg Feed & Grain

Co. He graduated from the University of Miami (B.B.A., 1950; J.D., 1952). Mr. Gold-

berg was born September 23, 1927, in Fargo, ND.

Accordance of the Personal Rank of Ambassador to Stephen R. Hanmer, Jr., While Serving as Deputy United States Negotiator for Strategic Nuclear Arms

January 30, 1987

The President today accorded the personal rank of Ambassador to Stephen R. Hanmer, Jr., in his capacity as Deputy United States Negotiator for Strategic Nuclear Arms. He is a member of the United States delegation to the arms reduction negotiations in Geneva. He will succeed Ronald F. Lehman II in this capacity.

Mr. Hanmer was employed as an electrical engineer with Radio Corporation of America in Moorestown, NJ, 1955-1956. In 1956 he joined the United States Army and served until August of 1977, when he retired with the rank of colonel. He then worked as a scientist with Science Applications, Inc., in McLean, VA, until 1978 when he joined the Department of Defense. He has served at Defense in the following posi-

tions: nuclear plans officer in the U.S. Mission to NATO; Director, Office of Theater Nuclear Force Policy, Office of the Assistant Secretary of Defense for International Security Policy; Acting Principal Deputy Assistant Secretary of Defense for International Security Policy; and personal representative of the Secretary of Defense on the START delegation.

He graduated from the Virginia Military Institute in Physics (B.S., 1955) and the University of Southern California in Mechanical Engineering and Aerospace Engineering (M.S., 1964). He is married to the former Lois Boteler, and they have three children. Mr. Hanmer was born August 15, 1933, in Denver, CO.

Radio Address to the Nation on Administration Goals

January 31, 1987

My fellow Americans:

A few days ago, when I arrived in the House Chamber for the State of the Union Address, I also hand delivered a formal legislative message. Today I thought I would share with you some of our goals and objectives for this Congress.

In the State of the Union Address, I spoke of our quest for excellence, especially in education. To achieve this, I've suggested to Congress that we target our Federal resources on the neediest schools and youngsters, that we set a goal of dramatically raising the literacy levels in America by the year 2000, and that we permit greater flexibility and innovation in federally funded, bilingual education programs.

Education, of course, is not just schooling,

and it is not just for the young. We'll be proposing to Congress a new program to help workers displaced by the rapid changes going on in our economy. Our billion-dollar effort will provide the education and training needed to help an estimated 700,000 additional workers each year restructure their lives to keep them and America competitive in world markets. For less fortunate families, we're also proposing a new emphasis on employment and training through a program we call Greater Opportunities through Work, or GROW for short. Complementary to that, we are asking that \$800 million be spent for improving the skills of children from welfare families, giving these youngsters a road map to a life out of poverty.

To keep our country on the cutting edge of change, I am proposing to Congress that we double the budget of the National Science Foundation over the next 5 years and that we establish a number of new science and technology centers based at U.S. universities, centers that would reflect a partnership in basic research between government, business, and the academic community. Since 1981 our budgetary support for basic research has grown 47 percent in real terms. We are committed to keeping our country leading the way in the era of science and technology. Meeting the competitive challenges of today and tomorrow won't be easy. Vice President Bush, who led the deregulation drive early in the administration, is taking a fresh look to see what can be done, from a competitiveness standpoint, to clear away unnecessary Federal regulation and paperwork burdens. One thing that will help is coming to grips with the costly liability insurance spiral. Legislation to do that, while still providing the necessary protections for consumer and health safety, will soon be proposed.

One of our greatest challenges is to accomplish our goals while still reducing the level of deficit spending that so threatens our future. Now is the time for discipline and restraint in the halls of power. You might remember, in the State of the Union I asked Congress for a line-item veto, ratification of a balanced budget amendment, and reform of the budget process. If we're to put our fiscal house in order—and that's essential—it requires fundamental, structural change. And I'm willing to work with Congress to get it done.

One of our priorities, one of the top, continues to be the fight against drug abuse. There've been claims that we've backed off our commitment this year. Nothing could be further from the truth. With all due respect to those who suggest otherwise, our commitment to the battle against drugs is stronger than ever. Since 1981 the funds budgeted for this effort have been tripled, and some of the funds already appropriated will actually be spent next year. So, even though next year's antidrug budget request is a bit lower, more funds will actually be spent in the battle than ever before.

On another point, you should also be aware that the amount spent on education in America has increased every year of our administration. Instead of taxing it away from local people and giving it back to them along with Federal guidelines and controls, we've left that revenue in local coffers and in your hands, so you the people, working with your local school boards, can determine how your children will be educated. As for higher education, the Federal Government will be spending less, but with the changes we've proposed, fewer dollars are needed to help the same number of students.

The changes we've made in these last 6 years have kept us on a steady course, have maintained the peace, and promoted healthy growth in our economy. The state of the Union is good, and together we're going to keep it that way.

Until next week, thanks for listening, and God bless you.

Note: The President spoke at 12:06 p.m. from the Oval Office at the White House.

Announcement of the Resignation of William J. Casey and the Nomination of Robert M. Gates as Director of Central Intelligence February 2, 1987

The President today accepts with reluctance and deep regret the resignation of William Casey as Director of Central Intelligence. Director Casey remains in Georgetown Hospital recovering from his recent

operation. The President has asked Mr. Casey to become Counsellor to the President whenever Mr. Casey feels his recovery is sufficient to assume those responsibilities. The President and Mr. Casey have enjoyed

a long private and professional relationship. The President commends Mr. Casey for his outstanding leadership at the CIA and for his service to the Nation. An exchange of letters will be available later today.

The President will nominate Robert M. Gates, who has been Acting Director of the CIA during Mr. Casey's illness, to be the new Director of Central Intelligence. Mr. Gates will continue to run the CIA during the process of his nomination. Mr. Gates was sworn in as Deputy Director of Central Intelligence on April 18, 1986. A native of Kansas, he received his B.A. degree from the College of William and Mary in 1965, his master's degree in history from Indiana University in 1966, and his doctorate in Russian and Soviet history from Georgetown University in 1974.

Mr. Gates joined the Central Intelligence Agency in 1966, serving as an intelligence analyst and as one of two Assistant National Intelligence Officers for Strategic Programs. In 1974 he was assigned to the National Security Council staff. After nearly 6 years at the National Security Council, serving

three Presidents, Mr. Gates returned to the Central Intelligence Agency in late 1979. He subsequently was appointed to a series of administrative positions and served as National Intelligence Officer for the Soviet Union prior to his appointment as Deputy Director for Intelligence in January 1982. As DDI for nearly 4½ years, Mr. Gates directed the Central Intelligence Agency's component responsible for all analysis and production of finished intelligence. In September 1983 Director Casey appointed Mr. Gates Chairman of the National Intelligence Council concurrent with his position as Deputy Director. As Chairman of the National Intelligence Council, Mr. Gates directed the preparation of all national intelligence estimates prepared by the Intelligence Community.

Mr. Gates is the recipient of the Distinguished Intelligence Medal; the Intelligence Medal of Merit; and the Arthur S. Fleming Award, which is presented annually to the 10 most outstanding young men and women in the Federal service. Mr. Gates and his wife Becky have two children.

Letter Accepting the Resignation of William J. Casey as Director of Central Intelligence

February 2, 1987

Dear Bill:

It is with profound regret that I accept your resignation as Director of Central Intelligence.

When I nominated you to this post just over six years ago and you took your seat as a member of my Cabinet, the United States faced an array of foreign policy challenges. Many of these challenges flowed naturally from America's position as leader of the Free World. Others, however, were of our own making, reflecting the relative decline in our military strength and the steady erosion of our intelligence capabilities. We came to office determined to restore that strength and those capabilities, the keys to a future of peace and freedom for ourselves and for all mankind.

To achieve these goals, we needed first to

remind ourselves both that our mission was worthwhile and that we were worthy to succeed in it. At such a time, America could not have been more fortunate than to have at its service a person of your experience and courage. First and foremost, you brought to the Central Intelligence Agency a keen sense of history, a deep understanding of the geopolitical forces at work in the 20th century. With the Office of Strategic Services in World War II, you guided intelligence activity in Eisenhower's theatre of operation. You saw the value of sophisticated intelligence during one of the most critical periods in our Nation's history. You saw firsthand what pride and morale mean to those on the front lines of freedom. I know that nothing gives you greater satisfaction than the knowledge that, forty years later,

you have helped restore that sense of pride and morale to America's intelligence services during another critical hour.

America has been blessed to have the service and the spirit of Bill Casey. You have given your fellow citizens your very best not only in my Administration, but in all the varied roles you have taken on during your distinguished career. As a businessman, lawyer, author, professor, and public servant, you consistently achieved great success through hard work, a sustained vision of the public good, and fidelity to the values that make our Nation great.

From the days of the campaign in 1980 through the transition and halfway through this second term, I have been fortunate to have you by my side. Your commitment and your achievements will continue in the institutions of government which you led so well and in the cause of liberty you so proudly served.

As you know, I am holding open for you

the position of Counsellor to the President for whenever you feel your recovery is sufficient to assume those responsibilities.

On behalf of all Americans, thank you for all you've done. Nancy and I send you and Sophia our warmest wishes.

Sincerely,

RON

29 January 1987

Dear Mr. President:

I herewith submit my resignation as Director of Central Intelligence effective this date, January 29, 1987. It has been a great honor serving you.

Respectfully,

WILLIAM J. CASEY

Note: The original of Mr. Casey's letter was not available for verification of its contents.

Appointment of Donald Ian Macdonald as Special Assistant to the President for Drug Abuse Policy and Director of the Drug Abuse Policy Office

February 2, 1987

The President today announced the appointment of Donald Ian Macdonald as Special Assistant to the President for Drug Abuse Policy and Director of the White House Drug Abuse Policy Office. Dr. Macdonald now serves as the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA), Department of Health and Human Services. He will continue those duties on an interim basis pending the selection of a replacement.

Since 1984 Dr. Macdonald has been responsible for administering and coordinating Federal programs and activities to improve understanding, prevention, and treatment of alcohol, drug abuse, and mental health disorders. He also served as Acting Assistant Secretary for Health, heading the U.S. Public Health Service, from December 1985 to July 1986, and as one of four Presi-

dential representatives of the Board of Governors of the American Red Cross. He is an Assistant Surgeon General, PHS Commissioned Corps, a rank equivalent to Navy rear admiral. Prior to joining the administration, Dr. Macdonald was a practicing pediatrician in Clearwater, FL, and a national leader in the parents movement against drug abuse. He also was clinical associate professor of pediatrics at the University of South Florida, College of Medicine, and an active member of the Florida Medical Association, serving as chairman of the association's committee on substance abuse. Dr. Macdonald has been affiliated with numerous professional and public organizations and groups. He served as president, Scientific Advisory Board, American Council on Drug Education; president, Florida Pediatric Society; board of directors, National

Federation of Parents for Drug-Free Youth; and director of clinical research, Straight, Inc., an adolescent drug treatment program in St. Petersburg, FL. He is the author of numerous articles on substance abuse and related topics for both professional and lay audiences.

Dr. Macdonald is a graduate of Williams College in Williamstown, MA (1952), and Temple University medical school in Philadelphia (1958). He is married and has four children. He was born in New York City on April 15, 1931.

**Statement by Assistant to the President for Press Relations
Fitzwater on the Iran Arms and *Contra* Aid Controversy
*February 2, 1987***

President Reagan will continue to provide all information required by those conducting the inquiries into the Iran matter. Should it be determined the material is needed, the President is willing to make available relevant excerpts from his person-

al notes. This is consistent with his meeting with the Tower board and his commitment to cooperate fully. The President wants to get to the bottom of the matter and fix what went wrong.

**Remarks to the Penn State Nittany Lions, National Collegiate
Football Champions
*February 2, 1987***

Well, President Jordan and Coach Paterno and players of the Penn State football team, let me start by saying congratulations! You know, I was a sports announcer once, and in one broadcast, I referred to the Nittany Lions. And you've got a widespread alumni. I got letters from all over, because I was talking about the Columbia—or talking to the Columbia Lions. [*Laughter*] And I found out who the Nittany Lions really were. [*Laughter*] Well, the undefeated national champions of college football—it's a title that you all fought hard to win, and the Fiesta Bowl was a fitting end to a proud season. You showed that you deserved to be national champions.

In the 100 years since that November day when Penn State's first football team took the field and beat Bucknell 54 to nothing, I bet there haven't been many more exciting moments than those when, with seconds to go, Miami was knocking and you didn't let them in. First came Tim Johnson's sack of a great athlete, Vinny Testaverde, who had a

receiver wide open with a sure chance to score. And then came Pete Giftopoulos' goal line interception; Penn State players and fans will remember it as long as they live. Pete and Tim, you and the entire squad played cool, smart, hard-hitting defense. You forced errors in the opposition, and that's saying a lot, because Miami is an outstanding team, and they don't usually make mistakes.

As for the offense, same story: smart and hard-hitting. Down by 7 minutes to go in the first half, you—that isn't 7 minutes. I sort of sloughed that. Down by 7, minutes to go in the first half—[*laughter*—you drove 74 yards; and then with everyone covered and no second chances, John Shaffer ran the last 4 yards himself. And Penn State was on the board and on the way.

And let me just say a word for someone who's often forgotten: the kicker. Every time John Bruno punted, it meant their own 40 or 25 or, most of the time even

further back than that for Miami. I could go on and talk about what every one of you did. Trey Bauer said afterwards, "This is the greatest game in Penn State history." And if anyone is going to take issue with that, it isn't going to be me. [Laughter] He's bigger than me—[laughter]—and a little younger. [Laughter]

But, yes, you of Penn State showed all the pundits and the odd-makers, who'd said that at last you'd met your match, that they were just plain dead wrong. And you know, that so inspires me that next time I go see Congress I might just wear that Nittany Lions hat. [Laughter]

Now before I finish, let me say a special congratulations to Coach Joe Paterno. For my money, I think he's one of the greatest coaches ever in college sports. And I'm not thinking just of his two national championships, his four times as coach of the year, his six undefeated regular seasons, his 15 sea-

sons in the top 10, his 80-percent winning record, or his lifetime total of 199 victories. No, I say he's one of the best, because while accumulating all those honors and records, he's never forgotten that, first and foremost, he's a teacher who's preparing his students not just for the season but for life. America is great because through our history we've had men and women with his kind of goodness, honor, and decency; his kind of dedication to his calling; and, yes, his kind of values.

So, Coach Paterno and all of you, welcome to the White House, congratulations, and God bless you all.

Note: The President spoke at 1:19 p.m. in the East Room at the White House. In his remarks, the President referred to Bryce Jordan, president of Penn State University, and Trey Bauer who was a linebacker on the team.

Executive Order 12582—Naturalization Requirements Exceptions for Aliens and Non-Citizen Nationals of the United States Who Served in the Grenada Campaign

February 2, 1987

By the authority vested in me as President by the Constitution and laws of the United States of America, including Section 1440 of Title 8, United States Code, and in order to provide expedited naturalization for aliens and non-citizens who served in the Armed Forces in the Grenada campaign, it is hereby ordered as follows:

For the purpose of determining qualification for the exceptions from the usual requirements for naturalization, the period of Grenada military operations in which the Armed Forces of the United States were engaged in armed conflict with a hostile foreign force commenced on October 25, 1983, and terminated on November 2, 1983. Those persons serving honorably in active-duty status in the Armed Forces of the United States during this period, in the Grenada campaign, are eligible for naturalization in accordance with the statutory exceptions to the naturalization requirements,

as provided in Section 1440(b) of Title 8, United States Code. Qualifying active-duty service includes service conducted, during this period, on the islands of Grenada, Carriacou, Green Hog, and those islands adjacent to Grenada in the Atlantic Seaboard where such service was in direct support of the military operations in Grenada. Qualifying active-duty service during this period also includes service conducted in the air space above Grenada, in the adjacent seas where operations were conducted, and at the Grantly Adams International Airport in Barbados.

RONALD REAGAN

The White House,
February 2, 1987.

[Filed with the Office of the Federal Register, 2:53 p.m., February 2, 1987]

Proclamation 5605—National Poison Prevention Week, 1987 February 2, 1987

*By the President of the United States
of America*

A Proclamation

Accidental poisonings, in which children swallow medicines or household chemicals, continue to be a tragic public health problem in our country. Since the first National Poison Prevention Week, in 1962, our Nation's yearly death toll has dropped by more than 80 percent. But even as we rejoice in this progress, we resolve to redouble our efforts to reduce the number and severity of childhood poisonings.

The National Center for Health Statistics reports that in 1984, the most recent year reported, 64 children died after accidentally swallowing household chemicals or medicines. And the American Association of Poison Control Centers in 1984 received more than 360,000 reports of ingestion of poison by children under five.

Thankfully, a number of organizations, private and public, continue to do a great deal to stop these accidents. The Poison Prevention Week Council coordinates a national network of health, safety, business, and voluntary groups to increase public awareness. The United States Consumer Product Safety Commission administers the Poison Prevention Act and requires child-resistant closures on many products that are potentially dangerous to children. The Poison Control Centers throughout our land

provide emergency first aid information if poisonings occur. And many State and local health departments, hospitals, pharmacies, cooperative extension agents, and others conduct poison prevention programs. We can be most grateful for the caring and concern shown by these Americans.

To encourage the American people to learn more about the dangers of accidental poisonings and to take more preventive measures, the Congress, by joint resolution approved September 26, 1961 (75 Stat. 681), has authorized and requested the President to issue a proclamation designating the third week of March of each year as "National Poison Prevention Week."

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate the week beginning March 15, 1987, as National Poison Prevention Week. I call upon all Americans to observe this week by participating in appropriate ceremonies and events.

In Witness Whereof, I have hereunto set my hand this second day of February, in the year of our Lord nineteen hundred and eighty-seven, and of the Independence of the United States of America the two hundred and eleventh.

RONALD REAGAN

[Filed with the Office of the Federal Register, 2:52 p.m., February 2, 1987]

Nomination of Jean K. Elder To Be an Assistant Secretary of Health and Human Services February 3, 1987

The President today announced his intention to nominate Jean K. Elder, of Virginia, to be an Assistant Secretary of Health and Human Services (Human Development Services). She would succeed Dorcas R. Hardy.

Since June 1986 Dr. Elder has been

Acting Assistant Secretary of Health and Human Services (Human Development Services). Previously, she was Commissioner on Developmental Disabilities, Department of Health and Human Services, 1982-1986; a consultant for special education services, Michigan Department of Education, Lan-

sing, 1981–1982; and president of J&J Associates, an educational consulting firm in Marquette, MI, 1980–1981. At Michigan State University College of Human Medicine in Marquette, she was director of planning, evaluation and academic affairs, and an associate professor, 1978–1980; and she was an associate professor, department of education, Northern Michigan University, 1977–1978. She is the author of numerous

publications in the field of developmental disabilities, mental retardation, and special education and has lectured widely to State, national, and international audiences.

Dr. Elder graduated from the University of Michigan (B.S., 1963; M.A., 1966; Ph.D., 1969). She is married, has two children, and resides in McLean, VA. Dr. Elder was born on May 30, 1941, in Virginia, MN.

Nomination of Two Members of the National Council on the Handicapped *February 3, 1987*

The President today announced his intention to nominate the following individuals to be members of the National Council on the Handicapped for terms expiring September 17, 1989:

Theresa Lennon Gardner, of the District of Columbia. She would succeed Jeremiah Milbank. Mrs. Gardner has been a teacher and volunteer

with the therapeutic riding program of Washington, DC. She was born on December 5, 1941, in Washington, DC.

Harry J. Sutcliffe, of New York. He would succeed Michael Marge. Since 1959 Mr. Sutcliffe has been director at the Episcopal Guild for the Blind in Brooklyn, NY. He was born on August 10, 1925, in Brooklyn.

Appointment of Two Members of the Federal Service Impasses Panel *February 3, 1987*

The President today announced his intention to appoint the following individuals to be members of the Federal Service Impasses Panel, Federal Labor Relations Authority, for terms expiring January 10, 1992. These are reappointments.

N. Victor Goodman, of Ohio. Mr. Goodman is an attorney and copartner with the firm of Beniesch, Friedlander, Coplan & Aronoff in Columbus, OH. He graduated from Yale University

(B.A., 1957) and Harvard University (J.D., 1961). He was born on June 15, 1936, in Columbus, OH.

Daniel H. Kruger, of Michigan. Since 1956 Dr. Kruger has been a professor of industrial relations at Michigan State University in East Lansing. He graduated from the University of Richmond (B.A., 1949) and the University of Wisconsin (M.A., 1951; Ph.D., 1954). Dr. Kruger was born on December 15, 1922, in Norfolk, VA.

Statement by Assistant to the President for Press Relations Fitzwater on the Philippine Constitutional Plebiscite *February 3, 1987*

On February 2, an estimated 20 million Filipinos went to the polls to vote on a new constitution. This plebiscite is a significant milestone on the path of democratic renewal which President Aquino has charted for the Philippines. Representative civilian government is the very essence of the democratic process. In view of our own history and values, it is an institution the United States encourages vigorously and supports totally. We congratulate the people of the Philippines on their latest, successful exercise in democracy and wish them equally well in the political contests ahead.

The United States pledges continuing

support for President Aquino's courageous efforts to maintain her fellow Filipinos' freedom and participation in the political process. These are the surest guarantees that the Philippines will achieve the internal harmony, political stability, and economic prosperity it needs and has earned. The President has sent President Aquino a message conveying his personal congratulations on the successful conclusion of the plebiscite.

Note: Marlin Fitzwater read the statement to reporters at 12:08 p.m. in the Briefing Room at the White House.

Remarks at a White House Ceremony Honoring the Citizens of Chase, Maryland, Who Assisted in the Amtrak Accident Rescue *February 3, 1987*

It's an honor to have you all here at the White House. Now, I know that must sound strange. Most people think of it as an honor to be invited here, and that includes myself. I remember how humble I felt on that day in 1980 when the American people first asked me to come here. But today the tables are turned. For by your deeds, you and the members of your community have honored all America. You've shown us all, once again, the love and courage, the self-sacrifice and eagerness to help and serve those in need—in short, the qualities that for generations have been the heart of American life.

It was an ordinary winter's day at the end of the New Year's weekend. Some of you were hanging out laundry. Some of you were about to watch the football game. And then something happened—investigators are still piecing together just what it was—and your community was face-to-face with the worst accident in Amtrak history. And that's when, on that ordinary day, the people of Chase, Maryland, showed that

what we take as ordinary in America is really very wonderful and special, very extraordinary.

Robert Booker and his cousin, Michael Cooper, were among the first on the scene. Robert climbed into a burning car. He couldn't save everyone. And I know that he and all of you've thought a great deal since that day about those whom God took into his arms, but also remember that there are many who are alive today because of your strength and courage. You gave to scores of people the gift of life. As Michael and Robert worked together helping to pull people out of the train, Eve Booker and Juanita Mattes helped to care for the injured, cleaning their wounds, wrapping them, covering them with blankets from their homes to keep them warm. As one reporter wrote of Eve and Juanita: "They acted quickly, calmly, heroically. But when the night ended, the 15-year-olds wept."

Well, those stories of sacrifice and love were repeated hundreds of times that day.

All of you and your neighbors helped people escape the wreck, helped care for them, feed them, and gave them shelter. Nancy Tharpe said there were 45 passengers in her house on that Sunday. As Bob Cooper said later, "Everybody just chipped in and did what they had to do." And as a result, most of the passengers were out of the train even before the emergency crews arrived. In the hours and days that followed, you took into your homes not only the victims of the crash but rescue workers and reporters, too. I don't want to forget the magnificent work of those workers or the people who, within hours, lined up to give blood for the victims. They made us all proud, too.

Some have talked since about how amazing you were, and I know that Cathi Fischer spoke for all of you when she told a reporter, "I don't think it was anything remarkable. I think if it had been another community they would have done the same thing." But that's just the point; you all did what Americans have done for more than two centuries: When others were in need, you didn't point to the other guys. You just rolled up your sleeves and went to work.

Not long ago a commentator on the network news show said that we Americans had become selfish, only out for ourselves, had lost our dedication to community and country. I know he's paid well to give his wisdom to the country each and every week. But for my money, the true wisdom is in Cathi Fischer's words, and the best answer to him is your example. Yes, on an ordinary day in January, Americans in an ordinary American community showed ex-

traordinary courage, self-sacrifice, and love for their fellow man. And when it was all over, you didn't brag and shout. You just went back to your daily work. But you left behind a gift not just for crash victims but for all of us. Your strength strengthened all Americans. Your spirit will long inspire and guide us all. And as President, I just asked you here today so I could say thanks. Thank you all, and God bless you all.

And now I'd like to award the Private Sector Initiatives Commendation to the community of Chase, Maryland. And, Robert Booker, will you please step forward and receive this? This is in recognition of the exemplary community service in the finest American tradition. Thank you all very much. And just for my curiosity, where are the two young ladies sitting that that night cried? I know they're out there with you someplace. There you are. Well, God bless you.

Well, again, I hate to walk away and leave, but they tell me I've still got things to do over there. I haven't told this for a long time, but I got some letters from some young people when I first arrived in Washington. And one of them that always appealed to me was from a little girl and she wrote—and very informed about the things that were facing me and the problems I had to solve and everything. And when she finished she said, "Now, get back to the Oval Office, and get to work." [*Laughter*] So, that's what I'll do. Thank you all.

Note: The President spoke at 1:29 p.m. in Room 450 of the Old Executive Office Building.

Proclamation 5606—National Women in Sports Day, 1987 *February 3, 1987*

*By the President of the United States
of America*

A Proclamation

In 1885, Oberlin College established the first department of physical education for women in a coeducational school. Today,

some 100 years later, women's sports are a vital component of college life and their impact is felt far beyond the university campus.

The history of women in sports is rich and long and has provided millions with an opportunity for growth, development, and

the pursuit of challenging goals. From youth sports to the Olympic arena, female athletes have shown levels of spirit, talent, and accomplishment undreamt of on that midwest campus a century ago.

Participation in sports contributes to the emotional, physical, and intellectual development of women of all ages. Through individual and team activities, young girls develop self-discipline, initiative, respect for fair play and cooperation, and communication and leadership skills that will help them succeed throughout their lives. Early positive experiences strongly influence wholesome lifelong habits of physical fitness, and thus have a direct bearing on the health and well-being of this Nation.

Great strides have been made in women's athletics along with the realization that women are entitled to equal opportunity on and off the playing field. In 1972 only a handful of college athletic scholarships were made available for women; today they number some 10,000. In the past decade the number of women involved in college athletics has grown from 32,000 to 150,000. This same period saw a 110 percent increase in female participation in public high school sports programs. In 1984, the women on our Olympic team brought home 44 percent of the gold medals available to them, making America's female athletes a significant force on the international sports scene.

The number of women participating in sports continues to grow, and we will continue to assure that more opportunities are created. From coach to administrator, women play an important role in the development of athletic programs for people of all ages.

In recognition of the contributions women's sports have made to this country, and of the need to further advance women's sports, the Congress, by Public Law 99-540, has designated February 4, 1987, as "National Women in Sports Day" and authorized and requested the President to issue a proclamation in observance of this event.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim February 4, 1987, as National Women in Sports Day.

In Witness Whereof, I have hereunto set my hand this third day of February, in the year of our Lord nineteen hundred and eighty-seven, and of the Independence of the United States of America the two hundred and eleventh.

RONALD REAGAN

[Filed with the Office of the Federal Register, 2:54 p.m., February 4, 1987]

Note: The proclamation was released by the Office of the Press Secretary on February 4.

Message to the Crew of *Stars & Stripes* on Winning the America's Cup Competition

February 4, 1987

On behalf of the people of the United States of America, Nancy and I are pleased to send our most sincere congratulations to you, the crew and syndicate members of *Stars & Stripes*. Your victory represents more than just another yachting triumph. It reflects the pinnacle of team work, competitiveness, hard work and American stick-to-it ingenuity. Your patience has paid off and all of America is proud.

On a more personal note, having bet

Prime Minister Hawke my favorite cowboy hat on your sailing abilities, I'm pleased to report that my head will remain warm and dry during my next visit to the ranch.

I would be pleased to receive you and the crew at the White House upon your arrival in the United States.

Sincerely,

RONALD REAGAN

Nomination of Van B. Poole To Be a Member of the National Advisory Council on Educational Research and Improvement *February 4, 1987*

The President today announced his intention to nominate Van B. Poole to be a member of the National Advisory Council on Educational Research and Improvement for a term expiring September 30, 1989. He would succeed Carl W. Salser.

Mr. Poole is vice president of National Enrollment & Marketing Corp. in Fort Lauderdale, FL. Previously, he was a partner with Krieg, Kostas and Poole Insurance Co.;

director, First State Bank of Fort Lauderdale; and Humble Oil and Refining Co., 1958–1968. He was elected to the Florida Senate, 1978–1982, where he served as minority leader, 1980–1982.

Mr. Poole graduated from Memphis State University (B.S., 1958). He is married, has four children, and resides in Sea Ranch Lakes, FL. Mr. Poole was born July 5, 1935, in Jackson, TN.

Appointment of Harvey M. Meyerhoff as Chairperson of the United States Holocaust Memorial Council *February 4, 1987*

The President today announced his intention to appoint Harvey M. Meyerhoff to be Chairperson of the United States Holocaust Memorial Council for a term of 5 years. He would succeed Elie Wiesel.

Mr. Meyerhoff is president of Magna Properties, Inc., in Baltimore, MD. Previously, he was chairman of the board and chief executive officer of Monumental Properties, Inc. Mr. Meyerhoff is an honorary life director of the National Association of

Home Builders and the League for the Handicapped, Inc. He is also past president of Associated Jewish Charities & Welfare Fund of Baltimore, Inc. Mr. Meyerhoff currently serves as a trustee of the Johns Hopkins University, and he is chairman of the board of the Johns Hopkins Hospital.

Mr. Meyerhoff graduated from the University of Wisconsin (B.B.A., 1948). He is married and has four children. Mr. Meyerhoff resides in Owings Mills, MD.

Appointment of Two Members of the Board for International Food and Agricultural Development *February 4, 1987*

The President today announced his intention to appoint the following individuals to be members of the Board for International Food and Agricultural Development for terms expiring July 28, 1988:

Paul Findley, of Illinois. This is a reappointment. He is currently an author/consultant in Jacksonville, IL. Previously Mr. Findley was a Member of the U.S. House of Representatives from 1961 to 1982. He graduated from Illinois

College (A.B., 1943; LL.D., 1973).

Leo M. Walsh, of Wisconsin. He would succeed Duane Acker. Mr. Walsh is currently dean and director of the College of Agricultural and Life Sciences at the University of Wisconsin. Previously he was chairman of the department of soil science at the University of Wisconsin. Mr. Walsh graduated from Iowa State University (B.S., 1952) and the University of Wisconsin (M.S., 1957; Ph.D., 1959).

Remarks at the Annual National Prayer Breakfast February 5, 1987

Distinguished clergy and Senators and Congressmen, guests, all our good friends: Nancy and I are delighted to be here with you today. It gives one a very good feeling to see so many of our national leaders here, and so many representatives of other countries, gathering together in a community of faith. Two hundred years ago another group of statesmen gathered together in Philadelphia to revise the Articles of Confederation and bring forth our Constitution. They often found themselves at odds, their purpose lost in acrimony and self-interest, until Benjamin Franklin stood up and said: "I have lived a long time, and the longer I live, the more convincing proofs I see of this truth—that God governs in the affairs of men. And if a sparrow cannot fall to the ground without His notice, is it probable that an empire can rise without His aid?" And then he called upon the convention to open each day with prayer.

How, with so much against them, could our Founding Fathers have dared so much, to declare for all the world and all future generations the rights of man, the dignity of the individual, the hopes of all humanity? Was it because they believed that God was on their side? Or was it because they prayed to discover how they might be on God's side? Our Founding Fathers knew that their hope was in prayer. And that's why our Declaration of Independence begins with an affirmation of faith and why our Congress opens every day with prayer. It is why the First Congress of the fledgling United States in the Northwest Ordinance provided for schools that would teach "religion, morality, and knowledge"—because they knew that no man, no nation, could grow in freedom without divine guidance.

If I might be allowed a personal note here. When I attended the commencement ceremonies at the Air Force Academy, I was surprised at how many of the graduating cadets came up to me, hand extended—930 in all—and told me they were praying for me. When I mentioned this to the commanding general, he told me that every

morning you could find several hundred cadets in the chapel beginning their day with prayer. Hardly a day goes by that I'm not told—sometimes in letters and sometimes by people I meet—that they're praying for me. It's a warm but humbling feeling. Sometimes I answer when someone says that; I feel I have to say something. And I tell them that if they ever get a busy signal, it's because I'm in there ahead of them. *[Laughter]*

I grew up in a home where I was taught to believe in intercessory prayer. I know it's those prayers, and millions like them, that are building high and strong this cathedral of freedom that we call America; those prayers, and millions like them, that will always keep our country secure and make her a force for good in these too troubled times. And that's why as a nation we must embrace our faith, for as long as we endeavor to do good—and we must believe that will be always—we will find our strength, our hope, and our true happiness in prayer and in the Lord's will.

I'd like to conclude with a story that is told by Dr. Paul Brand, the noted leprosy specialist, in his book "Fearfully and Wonderfully Made." Dr. Brand tells us of how, after World War II, a group of German students—young people—volunteered to help rebuild a cathedral in England that had been a casualty of the Luftwaffe bombings. And as the work progressed, debate broke out on how best to restore a large statue of Jesus with his arms outstretched and bearing the familiar inscription: Come Unto Me. Careful patching could repair all damage to the statue except for Christ's hands, which had been destroyed by bomb fragments. Should they attempt the delicate task of reshaping those hands? And finally the young workers reached a decision that still stands today. The statue of Jesus has no hands, but the inscription now reads: Christ Has No Hands But Ours. Isn't that really what he was always trying to tell us? Trying to tell us that we must be the hands, as we've heard so eloquently here by so many

already today.

Well, thank you all. God bless you all.

Note: The President spoke at 9:20 a.m. in the International Ballroom at the Washington Hilton Hotel.

**Message on the Observance of National Afro-American (Black)
History Month, February 1987**
February 5, 1987

This month marks the 61st celebration of National Black History Month, an event of importance to all Americans. The celebration takes on special meaning this year because of its theme, "The Afro-American and the Constitution: Colonial Times to the Present."

As Americans prepare to celebrate the Bicentennial of the Constitution, we have an opportunity to explore once again the richness of our founding document and the changes it has undergone throughout its two centuries of existence. The experience of Black Americans is a critical part of that history, holding enduring lessons for all of us about the true meaning of liberty. Black Americans fought in the Revolution which gave birth to this Nation, but it took the Civil War, several amendments to the Constitution, and a series of actions by the Supreme Court, the Congress, and the Executive to secure true equality of rights for Black Americans. The story of Black Americans is the story of their continuing struggle

to see fulfilled for themselves and for their children the promise and the dream of America. It is a story whose final chapters have not yet been written.

Without an understanding of America's past, we will not find the way to a future of opportunity for all. Black History Month affords every American the chance to study and to learn more about the contributions of Black Americans to our Nation's progress, from great figures like Dr. Martin Luther King, Jr., to the unsung, everyday heroes who helped build, lead, and defend a land that for so long asked more of them than it offered to them.

May this traditional observance lead all of us to work still harder for the day when no trace of prejudice or injustice remains to undercut the Constitutional rights accorded every American. To this goal, in February 1987, let us pledge anew our unswerving commitment.

RONALD REAGAN

**Message on the Observance of Brotherhood/Sisterhood Week,
February 15-21, 1987**
February 5, 1987

This year marks the 53rd annual Brotherhood/Sisterhood Week, sponsored by the National Conference of Christians and Jews. I am pleased to note that the theme of 1987's celebration is: "This is my Constitution. I'm putting my name on the line."

The Constitution is the anchor of our Republic. Through it, we are all equal under the law, just as we are brothers and sisters in the sight of the Almighty. This bicenten-

nial year is a singularly appropriate time to reflect on its importance to each of us.

Although the Founding Fathers could scarcely have imagined the society we have become 200 years after they hammered out the Constitution, this magnificent document remains as relevant and timely as the day the final draft was signed. The principles it embodies are timeless: protection of the individual against the state, the separation of

powers among these different branches of the national government and a Federal system preserving the role of the States and, most important of all, the recognition that government derives its authority from the consent of the governed.

I call upon all Americans to join the National Conference of Christians and Jews in celebrating the vibrant, richly diverse socie-

ty the Constitution has made possible in America. As we observe Brotherhood/Sisterhood Week, let us all put our names on the line as our Founding Fathers did; and let us pledge to uphold the ideals that have kept us, in all our racial and religious variety, one nation under God.

RONALD REAGAN

Designation of Dennis R. Patrick as Chairman of the Federal Communications Commission

February 5, 1987

The President today announced his intention to designate Dennis R. Patrick to be Chairman, Federal Communications Commission, effective upon the departure of Mark S. Fowler.

Since December 1983 Mr. Patrick has been a member of the Federal Communications Commission. Previously, he was a special assistant to the Assistant Secretary of Commerce for Communications and Information, Department of Commerce, October

1983–December 1983; an Associate Director, Presidential personnel, the White House, January 1982–October 1983; and an attorney with the firm of Adams, Duque & Hazeltine in Los Angeles.

Mr. Patrick graduated from Occidental College (A.B., 1973) and the University of California at Los Angeles (J.D., 1976). He resides in Washington, DC, and was born June 1, 1951, in Los Angeles, CA.

Letter to the Nation's Governors on Welfare Reform

February 6, 1987

Dear Governor:

In my 1986 State of the Union Address, I charged my Domestic Policy Council to present me a strategy to meet the financial, educational, social, and safety concerns of poor families. I took that action because I did not know anyone in America who believed then, or believes now, that the current welfare system is working for families in need. The sad truth is that, despite our best intentions, the welfare system is failing; the system traps people in a cycle of dependency that robs them of dignity. We can and must do better.

Restructuring our welfare system must be a top national priority, but it is clear from 20 years' experience that no single policy mandated from Washington can solve this

problem. Our goal instead must be to establish a process that allows states and communities to implement their own anti-poverty ideas based on their own unique circumstances. The Federal government must retain its current level of financing, but individual states and communities can best find the solutions to welfare dependency that will work best among their citizens and in their neighborhoods.

Many governors have already broken new ground with creative and unique approaches. I applaud those efforts, and want to begin a process to encourage many more of these state and community-based reform efforts.

I invite you to join me at the White House on Monday, February 23, during the

National Governors' Association Winter Meeting in Washington, to share your recent experiences and ideas on reducing welfare dependency and poverty in your communities. Together we must persuade Congress to provide you the tools necessary to create a better life for Americans in need.

Enclosed for your review is a copy of "Up From Dependency," my Administration's report on the welfare system, and its companion volumes. The report describes the

crucial role you can play in our proposed national strategy. I hope you will review it in preparation for our discussion, and I look forward to seeing you later this month.

Sincerely,

RONALD REAGAN

Note: The letter was released by the Office of the Press Secretary on February 7. The original was not available for verification of the content of this letter.

Radio Address to the Nation on Welfare Reform February 7, 1987

My fellow Americans:

This week I wrote to the Nation's Governors asking them to come to the White House to discuss welfare reform when they visit Washington later this month. On Monday I'll be speaking to a group of concerned citizens about our welfare reform ideas. And later in the coming week, I'll be releasing the Domestic Policy Council's report, a study and series of proposals entitled "Up From Dependency." All these initiatives are based upon my conviction that welfare reform is not just important but vital—vital to our economic well-being; vital, indeed, to our self-respect as a nation. Permit me to take a few moments this afternoon to share with you why I believe this is so.

The sad truth is that our welfare system represents one long and sorry tale of disappointment. From the 1950's on, poverty in America was on the decline as economic growth led millions up toward prosperity. Then, as the Federal Government began to spend billions on welfare programs, poverty stopped shrinking and actually began to grow worse. For the first time in our nation's history, millions of Americans became virtual wards of the State, trapped in a cycle of welfare dependency that robs them of dignity and opportunity. With our economic success of the 1980's, the poverty rate has begun to shrink, but the problem of welfare dependency remains. No one

doubts that welfare programs were designed with the best of intentions, but neither can anyone doubt that they've failed—failed to boost people out of dependency.

In the fight against poverty, we now know it's essential to have strong families—families that teach children the skills and values they will need in the wider world. How many self-made men and women in America owe their success to the strength of character given to them by hard-working, loving parents? Yet when we ask whether our welfare system has encouraged family life, we must answer: far from it. Among the welfare poor today, families as we've always thought of them are often not being formed. Since 1960 the percentage of babies born to unmarried mothers has more than tripled. And too often the mothers themselves are only children—15, 16, 17 years old—who, with the birth of their babies, find all the responsibilities of grown-ups thrust upon them. As for the fathers, much of the time they're nowhere to be found.

We're also coming to understand that our welfare system weakens community values and self-esteem. As a lack of skills prevents our young people from obtaining the jobs and careers they want, their hope for themselves and their neighbors disappears. To reverse this terrible cycle of despair, we must build on the vitality and strength in our communities. We must work with our

young people as they strive to achieve the basic educational and work skills they need for a bright future. To do this, we must make dramatic changes in the old, unworkable government programs. With less than half of the billions now spent on welfare, we could give every poor man, woman, and child enough money to lift them above the poverty line. My friends, I believe we're too great a nation, too generous of heart, too bold in finding solutions, to permit this waste of lives and money to continue.

In seeking solutions, we should return to the basic values that helped build this nation: faith in families, faith in individual dignity and work, and faith in our Federal system of government. During my meetings and speeches this coming week, I'll be setting out our proposal for welfare strategies that tap that faith. Washington may have failed to find solutions to poverty and welfare dependency, but many of our 50 States and hundreds of community leaders are making progress, due in part to the new

leeway we've given them in the last 6 years. Now, they're ready with many more promising antipoverty ideas—if only our complex welfare system will allow them greater freedom to succeed. I will ask Congress to approve a process that gives them that freedom.

We know the solutions to welfare dependency must come from States and communities, and those of us here in Washington must have the courage to let them try. Our welfare system will continue to help those who can't help themselves. We have learned that we must provide the pathways and tools that allow our needy to escape dependency and create a better life. As I've said before, the only true measure of a welfare program's success is how many people it makes independent of welfare.

Until next week, thanks for listening, and God bless you.

Note: The President spoke at 12:06 p.m. from the Oval Office at the White House.

Message to the Congress Transmitting the 1986 Annual Report of the United States Arms Control and Disarmament Agency February 9, 1987

To the Congress of the United States:

This 1986 United States Arms Control and Disarmament Agency Annual Report reviews all the government's 1986 arms control activities as well as ACDA's role in them. This relatively small agency plays a key role in the evolution and implementation of arms control policies that contribute importantly to our Nation's security. I know that you share my enthusiasm for ACDA, which celebrated its twenty-fifth anniversary in 1986.

You will find in the pages of the Report detailed material on the three rounds of Nuclear and Space Talks and on the talks that General Secretary Gorbachev and I had in Reykjavik, October 11–12. Details on

progress made at the Conference on Disarmament, the Conference on Security and Cooperation in Europe, and the Mutual and Balanced Force Reduction talks are also included. Our efforts to control the proliferation of nuclear weapons are discussed and the many details of arms control research are highlighted. This Report, as well as previous ACDA reports, contains a great deal of useful and informative historical material.

I am pleased to forward the Report to the Congress.

RONALD REAGAN

The White House,
February 9, 1987.

Remarks at a White House Briefing for Supporters of Welfare Reform

February 9, 1987

Thank you very much. Now, you really are here on the subject of welfare reform. [Laughter] Last Friday I came in here with a speech all prepared to talk to people on private initiatives and found out it was a surprise birthday party. [Laughter]

Well, I'm delighted that all of you could be here today. I'll be off my limited schedule fairly soon, but in the meanwhile it's good to be with so many friends. I'm grateful for the many expressions of concern, but I'm doing fine thanks to some wonderful doctors. They're so skillful; I'm thinking of having them work on the budget. [Laughter] But I am completely recovered. In fact, the doctors told me this morning my blood pressure is down so low that I can start reading the newspapers and watching the TV news. [Laughter]

I'm also glad to have you here because I know each of you has struggled mightily to change America. Yet, even with our anxiousness to get on with the conservative agenda, it's sometimes important to recall how far we have come together. I always think back to the sixties and seventies—and, well, even before then—when our concern about Federal spending and deficits fell on many a deaf ear here in Washington. And then when we started talking about tax cuts and tax limitation, as well as lower marginal rates, official Washington was more amused than anything else.

But today those ideas and concerns are the order of the day in the Nation's Capital. And the results have added up to nothing less than an economic and social revolution. The rate of spending increase came down by whopping percentages; tax rates and inflation declined; America created some 13 million more jobs; family income started to rise; and the poverty rate declined for 2 straight years. And when I compare where we were only a few years ago with what some of our critics are saying about these accomplishments, I have to tell you that some of them remind me of an agent I heard about in my old career. It was back

in those vaudeville days. People trying out for vaudeville would come in, empty theater, out on the stage, down there in front would be sitting a very cynical agent with a cigar, usually in his mouth, and he'd say okay, and they'd do their stuff. Well, this particular day a young fellow came out center stage, out came the cigar. He says, "Okay, what do you do, kid?" And the young fellow took off and flew around the ceiling of the theater up over the balconies and everything—[laughter]—came down to a perfect landing. And the agent said: "Well, all right. What else do you do besides bird imitations." [Laughter]

Well, whatever our critics say, I think all of us can be confident that the American people realize—just as I think someday historians will acknowledge—that moving back to concepts like limited government and the free market, as well as respect for the entrepreneur, created one of the most important social and economic revolutions in our history. Not only did we grow and prosper economically but we renewed our political and social life as well. Government's inability to do anything about the burden that inflation and taxes were putting on our citizens was weakening public faith in our democratic institutions, a trend that today we have reversed.

Or consider the social damage we were doing to the most basic unit of society, that engine of social progress—the family. For years inflation and taxes robbed the family of more and more of its livelihood—an economic factor, of course, but as I say, a moral factor, too. For government said to young couples: We will tax you at higher rates for getting married. And in the years ahead, we will turn the screw of bracket creep even tighter, and then we'll let inflation rob your savings and erode your personal exemption—in effect, imposing a higher and higher tax on your children. Well, is it any wonder then that in this period more and more of our young people postponed marriage or didn't marry at all, and postponed

having children? But by bringing down tax rates, inflation, and interest rates, by ending bracket creep, we've made family life safer and more secure. And we can be proud today that the downward trend of marriage, family formation, and childbearing appears to be arrested. The simple fact is government had taken a stand against families. But thanks to your help and support, we're turning that around; we're putting government back on the side of families.

There's been another important dimension to our economic recovery. We're helping the poor as never before. There is, for example, no crueler burden on the poverty-stricken and the elderly than inflation. And by bringing inflation to a virtual standstill, we substantially increased the buying power of the poor families of America. So, too, our recent reform of the tax code will take millions of working poor people off the tax rolls entirely. Above all, we've built an economy that is creating millions of new jobs every year, providing growth and opportunity the poor need more than anyone. And that's why more than one-half million people moved off the poverty rolls in 1985. This economic recovery and social and political renewal have made it possible to focus on some of our deeply ingrained problems, like doing something about poverty. And it's here, I think, that we conservatives have an unrivaled opportunity in the years ahead, a cause that I believe we can make our own.

You know, America's welfare system has been a longstanding concern with us. But too frequently that concern has been interpreted as merely a desire to prevent waste or fraud or stop welfare abuse. Well now, don't get me wrong—those are worthy and important objectives. Protecting the taxpayers' investment in Federal spending is a worthy objective—especially since we want our Federal welfare spending to go to the people who really need it, the poor themselves, and not to people who already live comfortably. And all the economic progress that we've made, for example, has relied on trying to control Federal spending. When we took office, huge Federal programs with built-in yearly spending increases were just reaching maturation.

So, first we had to take steps to slow

down the Federal spending juggernaut. We cut the rate of spending increase. And then, finally, this year we're managing to get the Federal Government to actually spend less in real terms than it spent the year before. Talk about the Earth shaking!

But none of this would have been possible without the war on waste we began from our first day in office. Working with the Congress, we completely revitalized the Inspector General's program and saved the taxpayers untold billions. Last year, for instance, the Inspector General at Health and Human Services launched over 3,000 audits and investigations of fraud against the Government that resulted in 1,000 convictions. The office's fraud and management recommendations will recoup more than \$5.3 billion when fully implemented. So, the war on waste and fraud has been an important part of our ability to bring down spending and ultimately to improve economic conditions for the poor. But I just think that waste and fraud isn't all we conservatives have to offer on the poverty problem—not by a long shot.

Back in 1982, in a speech to a black political organization, I raised some of the questions discussed by the scholarly work of Charles Murray in the "Public Interest." At the time this wasn't exactly fashionable, but since then things have been changing. Slowly a new bipartisan consensus on America's welfare system has developed—a consensus that holds what only a few could say a short time ago: that it is our welfare system that is one of the most serious obstacles to progress for the poor. The evidence is in, and the history is clear: Twenty years ago, with the best of intentions, the Federal Government began a program that it hoped would wipe out poverty in America. Today the Federal Government and State governments, with 8 major welfare programs and more than 50 smaller ones, spends more than \$130 billion to pursue this objective. And now, with less than half of this money, we could give every poor man, woman, and child enough to lift them above the poverty line. But believe me, it isn't just the arithmetic that doesn't make sense. During the past few years, we've seen serious questions raised—in scholarly works like Mr. Murray's

book "Losing Ground," which showed poverty actually went up as the Federal Government spent more to eliminate it, to major network television specials featuring grim personal testimonials about the Federal welfare system. And the issue here is really compassion.

How compassionate is a welfare system that discourages families that are economically self-reliant, that takes 6,000 pages of Federal regulations to explain, and is so complex it confuses and demoralizes the poor? How compassionate is a system that robs the poor of the tools to break the cycle of dependency? Well, the emerging consensus on welfare is finally agreeing with us that the Federal welfare system has become a poverty trap, a trap that is wreaking havoc on the very support system the poor need most to lift themselves up and out of destitution—the family. This growing bipartisan consensus holds that our current welfare system is not only a failure but counter-productive—the institutionalization of ghetto life where, as Bill Moyers put it in his special on this subject last year: "Mothers are children, fathers don't count, and the street is the strongest school."

And I just think conservatives should have a special interest in this because, as I've mentioned, our original skepticism about the welfare system has been sadly borne out by recent research. But second, strengthening the family has been among our highest priorities and, believe me, no one needs that strength and help today more than America's poor.

Let me pause here and cite as an example one disturbing problem we hear so much about: the homeless. Here in Washington there's a young Capuchin Franciscan priest named Father Jack Pfannenstiel who not only runs shelters for the homeless but has started a project called McKenna House, a kind of halfway house where the homeless are not just warehoused but given special counseling and training so that they might return to productive jobs and normal lives. And while the problems of the homeless are complex and deepgoing, when Father Pfannenstiel is pressed on the issue, he always remarks that at the root of these problems is a history of family breakdown and difficulty. So, I just think the time is

ripe for realizing our traditional concern with strengthening the family is directly related to this emerging national consensus on the welfare issue. I think conservatives and Republicans can now join with liberals and Democrats in reappraising that entire system and examining the reason for its failure. There is common ground. We all know it isn't working. We know there will be no easy answer—it's the belief that there were easy answers that got us into the situation in the first place.

We have to fight the impulse of many to believe that one policy change or reform, written and implemented here in Washington, can solve the problem of poverty and welfare dependency. We know from 20 years painful experience that it cannot. In seeking solutions we, as a nation, need to draw upon the practical genius of the thousands of community leaders and individuals who deal with that problem every day. The Federal Government should retain its current financing role, but it cannot provide all the answers. We need to reevaluate our entire antipoverty strategy—a reevaluation that will provide us with new approaches and initiatives, initiatives that will have as their goal the defense and strengthening of the family as the key to a strategic assault on poverty. And that's why last year I asked for a study of our welfare system. The recommendations of that study, "Up From Dependency," are now being implemented. It's also why on Wednesday of this week I will have a chance both to hear about and describe some of the approaches we hope to take in getting what is essentially a research and development program off the ground. So, too, in my radio talk on Saturday I mentioned that we had written to the Governors of the 50 States and asked them here to the White House to be a part of this nationwide commitment to welfare reform.

And today I just want to seek your active support, to ask you to join together with many millions of other Americans in this critical domestic initiative. We know the answers are out there—in our 50 States, in our cities and neighborhoods, and in the minds and hearts of the thousands of self-help leaders who are ready with hundreds of antipoverty ideas—if only our complex wel-

fare system will allow them greater freedom to succeed. They can show us how to make work more rewarding than welfare; how to provide incentives for dignity, instead of incentives for dependency. And I'm certain that we can, as a nation, move forward and together on this issue. I've said a great many times, instead of citing at the end of each year how many people were being maintained on welfare—if the program was really correct, every year they would be saying how many people we had been able to remove from welfare and restore to a position of independence. Now, all of us care about the poor, all of us want to see the tragedy that is poverty ended. So, let's get to work. Now, I realize there's going to be some crabbing, and there's going to be some of the same kind of press that, well, I've been getting kind of used to in the last few weeks.

You know, I can't resist telling you another story. Sometimes, I tell you, I feel a little bit here like the man who was the farmer that was driving his horse and wagon to town for a load of grain and had a head-on collision with an automobile. He was lying there seriously injured, even some of them were permanent disabilities. And later followed the usual legal procedures with the insurance company and all, and he was on the stand and a lawyer said to him, "While you were lying there at the scene of the accident, didn't someone come up to you and ask you how you were feeling? And

didn't you answer that you never felt better in your life?" "Well," he said, "Yes—yes, I guess, I remember that happening." Well, later, on redirect, another lawyer was asking the question, and he said, "What were the circumstances when you gave that answer as to how you felt?" "Well," he said, "I was lying there, and," he said, "a car came up and a deputy sheriff got out." He said: "My horse was neighing with pain and kicking—had two broken legs. The deputy sheriff put the gun in his ear and put the horse out of his misery." He said: "My dog had a broken back and was whining with pain, and he went over—did the same thing—[laughter]—put it there and shot him—[laughter]—and then he came over to me and said, 'Now, how are you feeling?' " [Laughter]

So, even though there may be some misguided criticism of what we're trying to do, I think we're on the wrong [right] path. And you know something else? From dealing as a Governor closer at hand with welfare, and those people, I think truly that the bulk of the people on welfare aren't just lazy bums or cheaters—they want nothing more than to be independent, free of the social workers, and out on their own once again. So, we can help them do that.

Thank you all, and God bless you.

Note: The President spoke at 11:30 a.m. in Room 450 of the Old Executive Office Building.

Remarks on Greeting the Crew of *Stars & Stripes*, the America's Cup Winner

February 9, 1987

The President. Well, *Stars & Stripes* skipper Dennis Conner, members of the crew, and ladies and gentlemen, today the Cup that went down under has come back up. It's only appropriate to be greeting the skipper and crew of the *Stars & Stripes* here in front of the Stars and Stripes.

And by the way, you might be interested to know that Prime Minister Hawke of Australia and I had a little bet on the side.

[Laughter] If *Kookaburra III* had won, I was going to give the Prime Minister one of those cowboy-type hats that I wear now and then out at the ranch. And if you all won, well—oh, there it is! [Laughter] It'll be revealed. There it is. That's the Australian version. And you know, it's the funniest thing—I just know that whenever I put that on I'm going to find myself turning to Nancy and saying, "G'bye, mate." [Laugh-

ter]

But there are so many people who helped to make this victory possible. Altogether, the United States was represented by six syndicates in Australia. Each had its own yachts, and each involved literally hundreds of people, bringing the best of American technology to bear on the complicated challenges of 12-meter racing. In designing *Stars & Stripes* herself, engineers used computer techniques to provide the yacht with a winged keel and a special rounded nose. Plastics experts gave the hull a coating that sheeted the yacht with thousands of tiny V-shaped grooves called riblets. Sailmakers used a mixture of Kelvar, Mylar, and an entirely new fabric, Spectra, to produce hundreds of sails suited to every conceivable weather condition. And *Stars & Stripes* was fitted with an on-board computer to monitor her performance and communicate before the race with computers on shore and in her tender. I just have to believe it says something about the competitiveness of American technology that this time around the United States entered perhaps the best designed, most technologically advanced, 12-meter yacht ever christened.

But no matter how sleek the yacht, it still all comes down to what the skipper and crew do with her on the open ocean. To the skipper, the navigator, tactician, main-sail trimmer, pitman, bowman, sewerman, grinders, and trimmers of *Stars & Stripes*: Congratulations! You performed up to the highest standards in conditions that were arduous and exhausting, and you made considerable sacrifices to do so.

And now, if you'll permit me, a word to the skipper himself, Dennis Conner. Dennis, in 1983 you sailed against the Australian challenger in what was universally acknowledged to be a slower boat. But your skills as a sailor were such that you forced the challengers to go all seven races before *Australia II* finally took the America's Cup. In the races off Fremantle, you showed your skill all over again. During the challenger final race against *New Zealand*, *Stars & Stripes* blew a jib. To many skippers, it would have been cause for panic, but you only said, "Hey, that's too bad."

Mr. Conner. That's not all I said. [Laughter]

The President. All that you said that was printable was, "Hey, that's too bad." [Laughter] But then, while your crew scrambled to replace the bad sail, you calmly tacked to keep your opponent from gaining the wind. And in 3 minutes and 2 seconds both the new jib and jig were up, and *Stars & Stripes* won the race.

In the finals themselves—well, there's no better way to describe your performance than to quote the skipper you defeated, Australian Ian Murray. At the suggestion that *Stars & Stripes* had simply had better luck, skipper Murray answered: "I'm not a great believer in luck in sailing. The wind Dennis left us was pretty much zilch. He won because he was always in the right spot."

Beyond your skill, Dennis, there's the matter of your commitment, the matter, to put it simply, of heart. One of your crewmen caught a glimpse of just how much it all meant to you. In his words: "Before the last tack Dennis said, 'Okay, guys, this is the last tack in the 1987 America's Cup.' I turned around and looked back, and he was crying. He had tears in his eyes." And the crewman went on to explain: "You have to remember that this hasn't been any gravy walk for Dennis. He's a regular American guy, a smart guy who worked his way up from the bottom and deserves the credit for what he's done." Well, Dennis, today we congratulate you, and today we give you that credit.

Mr. Conner. Thank you.

The President. And a word now to your Australian hosts and competitors. Ambassador and Mrs. Dalrymple, of course, millions of Australians must be disappointed by the outcome of these races, just as so many Americans felt the 1983 loss so keenly. But I want you to know that I've heard again and again, from Dennis and others, that the Australian people could not have been more open, friendly, or sportsmanlike. On behalf of the thousands of Americans who visited Australia for these races, I want to thank Prime Minister Hawke, the Perth Yacht Club, and the Australian people themselves.

I can't help thinking that the America's Cup has brought our two nations, already

close, still closer. For in following these races, we were all able to share something ancient and deep within us: man's fascination with wind and water. Listen, if you will, to the words of sportswriter Tony Chamberlain: "In sailing there is a term called 'lift' which is both technical and poetic at once. It describes the moment of acceleration in a sailboat—the moment when the sails harden against the wind and the boat begins to slide forward, faster and faster, until you can suddenly feel what William Buckley meant by the title of his sailing book, "Airborne." How something moving so slowly—about the pace of a moderate jog—can impart such exhilaration in this moment is probably unanswerable. Hang gliding, dropping in a parachute, doing barrel rolls in a light airplane—the thrills are easy to understand. But the moment of lift in a sailboat is just as much a leap off the Earth. Airborne." Well, gentlemen of the *Stars & Stripes*, for a few days you enabled us all to become airborne, and we thank you.

Mr. Conner. Thank you, Mr. President. As you might remember, I got a phone call from you back in 1983, and Tom answered the phone, I think. And he said, "The President's on the phone, and he wants to tell you that you fouled up." [Laughter] That's the printed version, anyway. [Laughter] Well, you might remember that I made you a personal promise at that time to do everything I could to bring the Cup back home to America, where it belongs. So, here it is.

This is not only a victory for the great crew and team of *Stars & Stripes*; it's a victory for American technology, a victory for the American will to compete anywhere in the world, and I might say, and be able to win. It's really a victory for the American spirit, of which you've done such a tremendous job to be our leader. And I can't tell you how much it means to the entire team and support crew of *Stars & Stripes* to be part of this tremendous victory in bringing the Cup back home, where it belongs. And I'd just like to say thank you all for the tremendous reception that we got. We had no idea what it would be like when we got

home. We were 12,000 miles away, and we were just concentrating on winning the Cup. And it just meant so much for us to come back and have this tremendous reception. And we just can't tell you how great it is to be back home in America. It really means a lot to see all of our friends and supporters to be with us in this tremendous victory.

So, at this time—I'm trying to remember all my lines—Bob Hawke made sure that he sent me a little message to go along with your Cup here. And I'll find it in just a second. [Laughter] Don't worry now. It says, "My Dear Ron: Enjoy the hat. You can keep it." Well, that's nice of him, there. "Take pleasure in the Cup, but remember it's only a temporary possession and we'll be back to get it in 1990. Congratulations and best wishes, Bob Hawke, Prime Minister." So, congratulations!

And I'd just like to take a moment and add to the President's comments about what tremendous people the Australians were. In defeat, they couldn't have been more gracious, and they just were wonderful sportsmanship. And any of you that have the chance to visit Australia will find out for yourself, but I'm sure anyone you talk to on the *Stars & Stripes* group will tell you and reaffirm what tremendous people they were in Western Australia. And they were really part of the whole Cup. So, my congratulations to the people of Australia. As a remembrance, Mr. President, from the crew of *Stars & Stripes*, we'd like to have you display this wherever you choose and remember us here in our victory—a half-model of our boat. It's the first one we've seen, and we'd like to have you have this as a part of our victory.

The President. Thank you very much.

Mr. Conner. So, if you'd help me hoist this Cup, I'm sure everyone would like to take your picture here. [Laughter] Thanks for having us. It really means a lot to us. Thank you very much.

Note: The President spoke at 1:39 p.m. in the East Room at the White House.

Proclamation 5607—Congratulating *Stars and Stripes* on Its Victory in the America's Cup

February 9, 1987

*By the President of the United States
of America*

A Proclamation

All Americans congratulate Dennis Conner and the crew of *Stars and Stripes* for their splendid victory in the America's Cup.

The *Stars and Stripes* team, representing the San Diego Yacht Club, traveled to the west coast of Australia to compete with the best yachts and best yachtsmen in the world. In a lengthy series of exhausting and exciting races, it successfully defeated eleven challengers for the right to face New Zealand in the finals of the challenger's division. Although the *Kiwi* had compiled a most impressive record in earlier races, *Stars and Stripes* defeated the New Zealand boat 4 to 1 to earn the right to sail for the Cup against the Australian defender.

In the final series, *Stars and Stripes* defeated *Kookaburra III* 4 to 0 to capture the America's Cup and bring the trophy back to the United States. Throughout the competition, the Australian team and the Australian people demonstrated to the world their sportsmanship and their unsurpassed hospitality.

The skill and determination of the *Stars and Stripes* team captured the imagination

of the American people. They demonstrated the traits that have long characterized this country at its best—optimism, dedication, teamwork, and an eagerness to master the most advanced technology and put it to good use.

In honor of the *Stars and Stripes*' victory in the America's Cup, the Congress, by House Joint Resolution 131, has authorized and requested the President to issue a proclamation expressing to Dennis Conner and the crew the thanks and admiration of our Nation.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim to Dennis Conner and the crew of *Stars and Stripes* the heartfelt congratulations and appreciation of our Nation for a job well done and for filling our sails with confidence and pride.

In Witness Whereof, I have hereunto set my hand this ninth day of February, in the year of our Lord nineteen hundred and eighty-seven, and of the Independence of the United States of America the two hundred and eleventh.

RONALD REAGAN

[Filed with the Office of the Federal Register, 2:27 p.m., February 10, 1987]

Message to the Senate Transmitting an Annex to the Convention for the Prevention of Pollution From Ships

February 9, 1987

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate, Annex V, Regulations for the Prevention of Pollution by Garbage from Ships, an Optional Annex to the 1978 Protocol Relating to the International Convention for the Prevention of Pollution from Ships, 1973, (MARPOL 73/78). I also transmit for the information of the Senate

the report of the Department of State on this Annex.

The MARPOL Protocol entered into force for the United States on October 2, 1983. Annex V and the other two Optional Annexes III and IV, which deal with pollution from packaged harmful substances and sewage, were transmitted only for the information of the Senate when the original

MARPOL Convention was transmitted to the Senate on March 22, 1977, for its advice and consent to ratification.

Annex V prohibits (subject to limited exceptions) the disposal from ships into the sea of all plastics, including but not limited to synthetic ropes, synthetic fishing nets, and plastic garbage bags. It also restricts the discharge at sea of other types of garbage to specified distances from the nearest land.

The entry into force of Annex V of

MARPOL 73/78 will be an important step in controlling and preventing pollution from discharges of ship generated garbage. I recommend that the Senate give early consideration to Optional Annex V of MARPOL 73/78 and give its advice and consent to ratification.

RONALD REAGAN

The White House,
February 9, 1987.

Remarks to the Annual Leadership Conference of the American Legion

February 10, 1987

I hope you're enjoying your visit to the Nation's Capital, and I appreciate the opportunity to speak with you. Over these last 6 years I've depended heavily on the American Legion. James Dean, Evelyn Starr, and Dale Renaud—they've all been indispensable in the fight for a strong and secure America. I'd just like to express to you and to legionnaires around the country my deepest appreciation for being there when it counted. It's been an honor to serve with you.

Sometimes I think they ought to issue a campaign ribbon for the "Battle of the Potomac." [Laughter] Now, I'd be tempted, of course, to start thinking up a war story or something here to tell you, but I have a hunch there's been a lot of that going on. [Laughter] So, I suddenly thought, I can tell one that's before the war.

Back in the thirties, when there was a citizen military training program, and then every summer they'd have a couple of weeks of camp and a military maneuver or war game, and usually some brass from Washington would be invited to come out and lend prestige to it. And I was getting a commission in the Cavalry Reserve at Fort Des Moines at that time. Over at Fort Omaha was the summer affair and the battle and all, and we had horse cavalry then. And the commanding officer at Fort Omaha and the visiting general from Washington were standing there and someone

sent a young reserve lieutenant, horse-mounted, over with a message. And he went over with a splash. He came in there full speed, pulled up the horse. The horse must have had a sore mouth because he put on the brakes on all four feet, and he summersaulted right over the head of the horse—[laughter]—landed on his feet holding the reins, and was facing the two generals. [Laughter] So, he snapped to salute, and the general from Washington very slowly and deliberately, as he returned the salute, said to the commanding officer: "Does he always dismount like that?" [Laughter]

Well, seriously though, the Legion continues to play a vital role in this democratic system of ours. Six years ago we set out to make up for some of the foreign policy and national security shortcomings of the last decade. We shouldn't permit the memory of American weakness, and the consequences of that weakness, to fade. During the 1970's the defense budget shrank in real terms as we held back from building new weapons systems. Our Navy lost more ships than it did at Pearl Harbor. New equipment was scarce. Spare parts were in short supply, and inflation ravaged the value of our military personnel's take-home pay.

Was a weaker America a safer America? Well, during the latter half of the decade our alliances were strained almost to the breaking point. Soviet expansion was evi-

dent throughout the world—in Southeast Asia, in Africa, and, yes, in Central America. The Soviets rushed forward to expand their naval and other conventional capabilities and to put on line a host of new missiles and other strategic systems. In fact, since 1970 the Soviets have invested \$500 billion more than the United States in defense and built nearly three times as many strategic missiles. With that record in mind, it's a bit difficult to take seriously those who suggest that we hold back now on the modernization of our forces, strategic or conventional, in order to elicit a positive response from our adversaries. Well, Teddy Roosevelt reminded us long ago that the cry of the weakling counts for little in the move toward peace, but the call of a just man armed is potent. Well, to put Teddy in modern terms: Speak softly, but keep the battleship *Iowa* close at hand. [Laughter]

Since 1980 we've reactivated 4 battleships, purchased 124 new naval vessels, including 2 new carriers and 21 top-of-the-line Aegis class cruisers and destroyers. The Army has 2 new divisions. We've bought over 2,500 tactical fighters, and we've made certain there are ample spare parts, not just for the planes but for all the weapons and equipment. One of our top priorities was to restore morale to those brave and dedicated citizens serving in our Armed Forces and to attract top-quality individuals to the job of protecting our country. Well, there's nothing that's made me prouder in these last 6 years than those young people—smart, fresh-faced, and full of life. They've answered the call. And today we have the best bunch of young people in our Armed Forces that we've ever had—the highest percentage of high school graduates in our history, the highest percentage in the top intelligence bracket when they're being tested for various branches of the service or duties within the service. I know you agree with me that those kids will never let us down, so we better darn well see to it that this government, no matter what party is in power, never lets them down.

I've gotten some letters sometimes that they turn me inside out. A kid writes—he's in a submarine—he writes, and he says: We may not have the biggest navy, we got the best. And you hear things like that. I was

over on the parallel in Korea, the demilitarized zone over there. And a young fellow standing up there in the cold and looking out over the no-man's-land to the other side and he just turned to me, and he said, "When you get home," he said, "tell them we're on the frontier of freedom." And it happens everywhere. So often those who oppose defense spending don't think about it in human terms. Those youngsters out on the aircraft carriers and the submarines and destroyers, our Army and Air Force personnel in Korea and Germany, the Marines in Okinawa and with the Sixth Fleet in the Mediterranean—they depend on us every bit as much as we depend on them. We made a promise that they'd have the first-class equipment and weapons they need to do their job and come home safely. And the budget is not going to be balanced at the expense of their safety and America's security.

You know, back there in that '80 campaign, I campaigned an awful lot—not on making speeches like this, but on doing question and answer, even in crowds that would number in the thousands. And invariably, then, I would get a question that would be: Well, all right, but if it comes to a choice of balancing the budget or rebuilding our defenses, which will come first? And every time, I said I have no choice. Rebuilding our defenses would come first. And every time I said it to an American audience, they did what you are just doing. [Applause] They applauded. Well, fulfilling that promise in this time of budget restraint means making certain that the maximum benefit is squeezed out of every dollar spent on defense.

To accomplish this, we've put in motion one of the most aggressive campaigns against waste and fraud in the history of the Defense Department, aggressively following up on every lead. Many stories early in the administration—and, oh how they curdled my blood—about procurement waste. You know, those outrageously expensive bolts and wrenches and such were actually not stories of faults that were still existing. They were actually stories of our successful efforts to make corrections. We were the ones who found out those \$400 hammers and so

forth and got them corrected. But somehow it never seemed to read that way. [*Laughter*] Well, we've continued this commitment. The Defense Department, for example, is doing even more to ensure that competitive bidding is brought into the procurement process. And this year we're, for the first time, submitting a 2-year defense budget. This will, we hope, replace the old, year-by-year, up-and-down approach, which has proven both wasteful and inefficient. We're also moving forward on changes mandated in last year's Goldwater-Nichols bill and reforms recommended by the Packard commission. In short, defense management has been and continues to go through a dramatic period of revitalization.

We take this job seriously because we know the truth of some other words that Teddy Roosevelt spoke. He said: "If we're to be a really great people, we must strive in good faith to play a great part in the world. We cannot avoid meeting great issues." Well, this, of course, is even more true of us today. And while such a burden is never easy or cheap, there are many reasons for optimism as we look ahead. A decade ago freedom was in retreat. And now with America's military strength rebuilt, our national confidence restored, and our alliances reinvigorated, there has been a dramatic turn in world affairs. It's significant that during these last 6 years not 1 square inch of territory has been lost to communism. And one small country, Grenada, has been restored to the family of free nations. After that episode there, I made a trip down there to meet with all the Caribbean island nations' heads of state. I tell you, after all those things we've heard about signs and "Yankee, go home," it was wonderful to be in Grenada, going down the streets and seeing the welcome signs and a great big banner across the street: "Come back." And then when I met—it was with almost half the population of the entire country, gathered at a great outdoor rally. And you knew we'd done well there. They like us. So, if you're looking for someplace to go on a vacation, why, I could recommend it. [*Laughter*]

Today, clearly, history is on the side of the free. In our own hemisphere we've witnessed an historic expansion of democracy.

Ninety percent of the people of the Americas now live in democratic countries or countries in transition to democracy. And throughout the Third World, the failure of socialism is becoming increasingly evident. Cuba's tyrant has taken to haranguing people for failures that are inherent in the system he's imposed on them. In Ethiopia, it's becoming even more apparent that it is Marxism more than drought that brought such misery and the starvation to a once proud people. The despotism and atheism of communism have even spurred resistance movements that are threatening Soviet colonial regimes in Afghanistan, Angola, Cambodia, and Nicaragua. It's both in our national interest and consistent with our traditions as a free people to assist these brave souls who are struggling for their freedom and national independence. That's especially true when it comes to those fighting Soviet-backed tyranny in Central America. We must not and will not abandon them. If you hear anyone anymore talking about the danger of Nicaragua becoming a Communist totalitarian state, correct them—it is a Communist totalitarian state. And we're helping the people that are trying to change that.

General Douglas MacArthur, a leader I deeply respected, is said to have written that no man is entitled to the blessings of freedom unless he be vigilant in its preservation and vigorous in its defense. Well, it's all up to us now. We are the heirs of MacArthur, Pershing, Jefferson, and Washington—and of those Americans who put their lives on the line from Bunker Hill to Belleau Wood, from Normandy to Khe Sanh. We will be vigilant in the preservation of freedom and vigorous in its defense because we will not let down those who came before us or those who will follow.

I thank you and your fellow legionnaires for all you're doing to meet this sacred responsibility. And for the ladies present—having referred to that rough and ready Teddy Roosevelt a couple of times—I think you ought to know that in that era, there was no West Wing to the White House and East Wing. All the offices and the Cabinet meetings and everything else took place there in the Residence. And then one day

Mrs. Roosevelt proved to be a match. She said to the President of the United States, "If I'm going to raise six kids in this house, you're going to get your people out of here." [Laughter] And they did.

Well, God bless you all, and God bless America. Thank you.

Note: The President spoke at 1:32 p.m. in Room 450 of the Old Executive Office Building. In his opening remarks, the President referred to James Dean, national commander of the American Legion; Evelyn Starr, president of the American Legion Auxiliary; and Dale Renaud, past national commander of the American Legion.

Statement by Assistant to the President for Press Relations Fitzwater on the Iran Arms and *Contra* Aid Controversy February 10, 1987

On February 4, 1987, John Tower, Chairman of the President's Special Review Board, requested that the President, acting as Commander in Chief, order Adm. John Poindexter and Lt. Col. Oliver North to appear before the Board. In a letter dated February 6, Counsel to the President Peter Wallison advised the Board that such an order would be unlawful, because it would in effect be ordering Admiral Poindexter and Colonel North to testify against themselves. The Counsel noted that North and Poindexter have a constitutional protection against self-incrimination, as well as a similar guarantee under article 31 of the Uniform Code of Military Justice.

In giving this response, the White House

Counsel relied upon a written opinion from the General Counsel of the Department of Defense, who confirmed earlier oral advice on this matter when similar issues were raised in December. Mr. Wallison also pointed out that the President has made clear his desire that both Poindexter and North cooperate fully with all ongoing inquiries, consistent with their rights. In December the President proposed a procedure for obtaining their testimony without violating their rights against self-incrimination. He asked that the Senate Select Committee on Intelligence grant limited use immunity to Poindexter and North so that the facts would be known without precluding prosecution based on other evidence.

Remarks and a Panel Discussion With Community Leaders on Welfare Reform February 11, 1987

The President. Well, I want to thank all of you for coming here today. Usually when I come to this room it's to speak to a visiting group, but today I think I'm here mostly to listen. And I know that what I'm about to hear will change the way America looks at poverty and welfare. This month we're sending up to the Congress our welfare reform package. And this package was shaped in many ways by you in this room, including the five who are up here with

me. You know, when I think of the welfare system, it reminds me of a story. And I know some here have heard me tell this before, and maybe everybody knows it, but pretend that you haven't heard it because I like to tell this story. [Laughter]

It's the story about the parents with the two children, two sons. And one of them was a dyed-in-the-wool pessimist, and the other one was an incurable optimist. And they thought they were both so unrealistic

that they talked to a psychiatrist about it. And he said he thought he could solve the problem. And they said, "Well, what?" "Well," he said, "let's get the most magnificent set of toys any boy ever had, and we'll put them in a room. We'll take the pessimist there, and then we'll turn him loose. And when he sees those toys and knows they are all for him, he'll get over being a pessimist." And they said, "What are you going to do about the optimist?" "Well," he said, "I have a friend who's got a racing stable and," he said, "we can get quite a quantity of what they clean out of the stable. And we'll put that in another room, and when the optimist has seen his brother get those toys and that he gets that, he'll get over being an optimist." [Laughter] Well, they did it. And finally, after a period, they then went in and followed in where the boy was with the toys. And he was sitting there crying, and they said, "What are you crying about?" And he said, "Well, I know somebody's going to come and take these away from me." [Laughter] And they went down to the room with the optimist. And he was on top of that pile of stuff, and he was throwing it over his shoulder as fast as he could. And they said, "What are you doing?" He says, "There's got to be a pony in here somewhere." [Laughter] Well, today we're going to hear from some of those who've found the pony.

As you know—but maybe those from the press don't—in the past year we've been going around the country asking the experts about how the welfare system works and doesn't work. Now, asking experts is not a new thing in the area of welfare reform. Time and again over the years, government has inquired of professors and welfare professionals why people are poor and why they stay poor. And, forgive me for saying this, but the result has been a welfare system that's very good at keeping people poor.

But when we began to look at welfare reform, we changed the experts and we changed the questions. For the last year our experts have been people who know welfare firsthand, who've actually been on welfare, particularly who've gotten on and gotten off. And we've talked to hundreds of these people. We've talked to hundreds

more who've set up self-help groups in their communities—self-help groups that really worked and that really helped neighborhood people become self-sufficient. And these have been our experts. And our questions have been: How'd you do it? How did you get off welfare? How did you become self-sufficient? How did you set up a group to help yourselves and your neighbors?

Now, I've been told that this has been the first time in the history of the welfare system that government has asked not how people fail—that's how they get on welfare and stay on—but how they succeed. And that is, how they get off welfare?

And I'm told it's the first time ever that government has gone, as we have, not to the people who can give you a theory about getting people off of welfare, but to the people who've done it themselves, in practice, or helped others do it. Success, not failure; practice, and not theory. And that's what has shaped our welfare reform proposal, and that's what we've come to hear about today. So, now let me turn this meeting over to the experts.

Mr. Hobbs. Mr. President, first this morning, we're going to hear from Sister Monica Thomann, from East Liverpool, Ohio. Sister Monica is the second-most senior member of this panel, Mr. President. [Laughter] And she spent 42 years teaching at elementary and secondary levels and then went into the self-help business to try to help senior citizens to get the services they need and has found since then that that's developed into a very healthy project. So, Sister Monica.

Sister Monica. Thank you. Mr. President, Ceramic City Senior Center is in East Liverpool, Ohio, of the tristate area of Pennsylvania, West Virginia. We're across the bridge from West Virginia and 5 minutes from Pennsylvania. We are really an unnamed Appalachia area. We have no business, large business, or industry in the area. Forty—well, I would say, 30 percent of the people are unemployed. There are 15,000 residents in East Liverpool—4,000, according to the 1980 census, are senior citizens over the age of 60. And a study of EDATA done in 1984 showed 46 percent of them below poverty level.

Well, these senior citizens needed help. They needed to feel dignified in their existence. So, our senior center was established in 1979 with Federal dollars to renovate and purchase this property. Now we provide services in that 3,200 square-foot building to 1,700 seniors. These services help them stay in their own environment. And that is something that needs to be done. It also provides them with knowledge of their own talents and skills so that they can not only help themselves but that they will then help others.

Soldiers and sailors on relief have come to our assistance. General relief workers will spend their time with us and give us the help that we need. We have used the title 5 senior aid program out of the Department of Labor. And those four people spending 20 hours a week provide the leadership that is needed to help our 387 volunteers provide these services to the other people of the community. Of course, when you receive government funds then there are a number of records that have to be kept. And so, we have to have these people trained in the keeping of the records. We are proud of our 387 volunteers. They help us provide friendly visiting services, telephone reassurance services, health assessment services, so that the seniors can have almost an entire physical and being prevented from having diseases that would debilitate them. We have socialization, of course, that keeps the seniors knowing each other, feeling comfortable with each other, and also getting out of their homes, so that they will then be able to help other people.

We provide some chore services—laundry for about 30 shut-ins each week—and our volunteers do that work. We have a kitchen that provides, I'd say, anywhere from 25 to 150 meals daily, twice a week. With the jobs bill food that was given out at one time, we established an emergency feeding site for the unemployed. And, at times, we feed 300 of them. And the senior volunteers help prepare and serve those meals.

We received two vehicles from the 16-B2 program, using the UMTA funds. And that provides transportation for about 420 seniors, using the drivers and the volunteer escorts to take these seniors about 28,000 miles a year to nutrition, socialization

events, cultural places, medical appointments, and personal shopping. I feel, then, that our senior volunteers, many of them on the RSVP program, have not only become valuable assets to the community, but they have made other people, of their own peers, feel important. Yet without the Federal dollars giving us that base of operation, there is no way that we could have done this—making these people feel the need to continue living.

We have established a co-op, because we don't just want handouts, but we want to help these people help themselves. This co-op, then, helps to extend their funds and provide nourishing food. We have joined with SHARE food bank and are trying to establish a farm in which they will grow their own truck vegetables and then either sell them or can them or freeze them for the winter. We are involved in any number of projects, one of which will be to develop a shared living facility. I think perhaps I've used my time.

Mr. Hobbs. Thank you very much, Sister Monica.

Next, let me introduce to you Earlene White, from Norfolk, Virginia, and her husband, Nelson, who's in the audience—as the two of them cofounded the organization called Parental Involvement Network, or PIN. And it came out of the problems they had with the busing situation in Norfolk. So, let's hear from her.

Earlene?

Mrs. White. Thank you. Contrary to popular belief, black parents are strongly in favor of neighborhood schools. In Norfolk, where courts approved an end to busing of elementary school students for the purpose of racial balance, parents were given the option of to bus or not to bus. Given this choice, black parents chose not to bus by a whopping 86-percent majority. We had always known that the blacks who actually had to deal with busing did not like it. This clearly points out that agencies need to interact with grassroots people to solve problems relating to welfare and education. When we attempted to inform civil rights and religious leaders of the true feelings in the black community, the first thing they wanted to know was what were our profes-

sional credentials. They failed to realize that grassroots people do not need a whole lot of credentials to express their concerns or to develop some expertise in solving their problems.

Since the media was only listening to black groups advocating busing, my husband, Nelson, got the idea to organize the black parents who oppose busing—thus, the Parental Involvement Network. We went door-to-door collecting signatures to present to the school board. We felt that 1,200 signatures was enough to convince both the school board and civil rights groups that there was substantial black support for an end to busing. We did this with a cadre of 15 parents. And in September '86, 8,000 black students returned to neighborhood schools where their parents have a greater opportunity to interact with the schools. We constantly help poor parents to understand how the school system works and to get the best out of it for their children. Education and welfare dependence are clearly related. In dealing with welfare parents, we found that more day care was needed—that even if they got a job the funds they received are stopped before they can get on their feet. Some change is needed in this area of transfer from welfare to becoming a working-class parent.

Mr. Hobbs. Thank you, Earlene. We now move on to Tony Enriquez, from Oakland, California, who is in charge of one of the longest running self-help efforts in the United States—the Spanish Speaking Unity Council, which was started in 1964.

Tony?

Mr. Enriquez. Okay, thank you. The Spanish Speaking Unity Council in Oakland, California, was started as a grassroots organization in 1964, but we have grown to a community development corporation with assets of over \$15 million. We operate a continuing care of services to our community from infant child care services to elderly services. We provide services in employment and training, both youth and young adults, housing programs for families and elders, emergency housing and family needs, small business technical assistance, and community economic development assistance and project development. More specific to today's panel discussion, we op-

erated a supported work program for over 10 years, working with long-term AFDC recipients, welfare mothers.

This supported work program provided avenues of opportunity to long-term welfare mothers to come back into the job stream. Through a welfare grant diversion process, we were able to provide job opportunities in a supported work environment. In the operation of our own small businesses, we have provided a vehicle to bring back self-reliance and capacity-building into the lives of many welfare mothers. In our organizational philosophy of integrating community economic development into the delivery of social services, we have been able to build community and individual capacity to alleviate poverty in our community. Thank you.

Mr. Hobbs. And finally, and closest to home, Kimi Gray, from Kenilworth Parkside Resident Management Association. Kimi, I know that you had five children on welfare and that you've gotten yourself and them off welfare and sent them all to college. And I think that's an accomplishment in itself worth applause. [Applause] But you've gone far beyond that, so tell us about it.

Mrs. Gray. All right. Mr. President, let me first describe the Kenilworth Parkside community. There are 464 public housing units. We're at the end of nowhere—some folks may refer to it—because we're in ward 7. And they call it the part of the city that's been forgotten. Prior to 1982 only two children within our community had gone to college. There was no heat and hot water in our public housing property. Trash pickup was terrible. And because of that we began to meet ourselves and organize the residents of our community.

And through our efforts we created a program that's named "College, Here We Come," Mr. President, which I know you are familiar with because you awarded us an outstanding award for sending over 582 of our children away to colleges. When those children went away to college, they returned very dissatisfied with our conditions. And because of that, those students and the parents of those students began to develop their own master plan, because we

had realized we had had persons to plan for us and had not given us an opportunity to plan for ourselves. And therefore, their plans were not successful because we had no way of participating, really, but to take orders.

Through our master plan we created resident management. And through our resident management concept, we reduced our welfare recidivism. In '82 it was 85 percent. It has now been reduced to 22 percent. We reduced our crime, reduced our teenage pregnancy by 50 percent. We created small businesses. For, you see, the philosophy of our community is that the only way that we could even save our community was beginning to save our families. And how did we save our families? By returning respect and responsibility and pride back to the fathers of our community by employing them first, before we employed the youth. We created the small businesses that are now employing those former welfare recipients, and they are owned by some of the residents of our community. For we knew that the only way we could help ourselves was by saving ourselves—that no one had the obligation to us to do anything for us. We had to do it ourselves.

I feel proud to sit here today because for the first time I know I personally had a direct input on forming this policy. And to my knowledge this has never been done before, where the executive branch of the Government has come down to the community to talk to a former public welfare recipient—to find out how we feel about things, to find out how we felt about being dealt with when it comes to welfare reform. In working with the Kenilworth Parkside community, we have done a need assessment—through our college students—and found that our residents want jobs. We are proud of the rippling effect that our community program has had, around not only the city of Washington, DC, but throughout the United States, to say that we want employment. We do not want welfare; we want independence. And we thank you, Mr. President, for providing us the opportunity.

Mr. Hobbs. Thank you, Kimi, and thanks to all of our panel members. Mr. President, you've heard these success stories. Why don't we talk a little bit about how we can

build on them?

The President. Well, believe me, and I know that there are many more like these, and I wish there were time here for a lot of questions that probably people have. And I hope that you will have time to find out more and how these work—for example, Sister, what your experience was in working with the State and cooperation and so forth.

Someone sent me a little item that must have appeared in print someplace. It was in print, it was just cut out, and I don't know where it appeared or anything. But it did give us pause to think. Just a little short thing, and it said: "In an earlier day in America, people lived well, they had plenty to eat, they were independent, they were free, and then the white man came." [Laughter] Well, Thomas Jefferson once wrote: "He knows most who knows how little he knows." In the area of welfare, I think it's clear today that it's time for those of us in Washington to face up to how little we know. You good people have just shown the truth of what columnist William Raspberry wrote recently, that good ideas come not from "Washington, where the headlines are, but out in the country, where the action is."

That, in effect, is what our welfare reform proposal is all about: creating a welfare system that invests in your solutions, and in the solutions of thousands of others like you around America. Our welfare study—it really isn't that thin—[laughter]—"Up From Dependency," which will be released today, names nearly 400 examples of self-help groups across the land. Our reform is intended to start a process that taps this spirit and mobilizes this initiative. And here's what we propose to do. We will ask Congress to approve legislation to allow the States to experiment with the kind of anti-poverty ideas that you've told us about here today. Right now Federal laws and regulations limit what the States can do. I was a Governor of a State, and I know how frustrating it could be. And that's why so many of your good ideas can't be tried within the bounds of our current welfare system.

Our proposal retains the current Federal financing role. And the Federal Government will continue to enforce civil rights

laws and due process protections. All we will ask from the Congress will be that it waive the many other rules and regulations that prevent State experiments from helping people become independent. In many States—with the limited flexibility we've given in the last 6 years—this experimentation has begun. Some, like Utah and New Jersey, have made great strides. As you know, I've invited all the Governors to the White House later this month to present our welfare proposal and to listen to their thoughts about welfare reform.

But our reform effort does not end with the States and the Governors; it only begins with them. One of the real keys is at the community and neighborhood level—people like yourselves. We want community leaders to draw up reform plans for their own cities and neighborhoods and then to work with State officials to put those plans into practice. We want not 50 experiments, but hundreds and thousands. In short, we want to liberate the creative genius and entrepreneurial energy that we've seen here today and that exists all across America. As one scholar, John McKnight, put it: "I know from years in the neighborhoods that we can rely on community creativity . . . America is being reinvented little by little in the little places."

There're just a few simple principles all experiments should follow. These are principles that all of us have learned and that you have begun to demonstrate. We've learned, for example, that work is the only genuine path to self-respect and independence. And we learned that any welfare system should offer the incentives and tools to remain dependent on welfare. With these and other lessons in mind, our proposal will ask the Congress to allow those of us in Washington to work with the States in screening reform ideas. We will offer communities and States wide latitude in developing their proposals, but we will also ensure that any initiative supports families and promotes self-reliance.

It's time for the Federal Government to admit to what it doesn't know and start listening to creative Governors like Tom Kean and Booth Gardner, Jim Martin. It's time for the Government to start listening

to community self-help groups like yours and the others that Chuck and his group here have identified. It's time, as Charles Murray has written: "to start listening to those we wish to help—not armed with a clipboard and a set of multiple-choice questionnaire items, but with curiosity and patience . . ." Well, that's what we've begun to do this past year, and that's what our reform package will help all of America to do in the years ahead.

You know, I had an experience as Governor, because we came up with a welfare reform plan. And it could only be permitted, under the regulations, as an experiment. And we dealt with and we negotiated with the people in Washington, and we were getting nowhere. And finally, I ordered our people—one of whom was Chuck Hobbs right here, who is responsible for some of that plan—I ordered our people that we would not discuss anything further with Washington unless the President was present. And he came to California, and we went down and met with him. And I scribbled a few notes in the plane on the back of a gin rummy pad. And when we got in the room with the people we'd been dickering with all these years or months and getting no place, I submitted what it was we wanted to do. It was a workfare plan—and what we had accomplished so far in getting ready for it, and it was wonderful. The President just heard me out—and it only took a few minutes—and he just turned to his group and said, "I want this done." You'd be surprised—it happened. But they'd only let us experiment, so we got to do 35 out of the 58 counties in California. And they very carefully omitted the two largest, Los Angeles and San Francisco.

But we started our experiment. And there was one benefit that we had not been able to anticipate, and that was that we had gone to every community at every level, and we had said: "Are there things in your community, your county, your district, whatever, that you would be doing if you had the manpower and the money?" We didn't want boondoggles. And they sent back their list of things, yes, that they would do. We screened them to make sure they were useful tasks. So, we approved

those useful tasks. And then we told them there is the manpower and the money, and they will soon be reporting to you for work. And then we notified the able-bodied welfare [recipients] that they were to report for this work. But at the same time, we assigned some of our own bureaucracy at the State level from our labor department to be job agents. They were each given a list of names. And they were to watch those people at what they were doing. And I said it is your job to try and make their work there temporary, not the job temporary—but to move them from that to the private sector as fast as possible. And in the midst of the 1973–74 recession, with the great increase in unemployment—through that program, we put 76,000 welfare recipients into private sector jobs and permanent—[*inaudible*]—

So, this is—I don't want to get caught like—I won't name the President but, I don't want to get caught like him and have me have to be able to turn and say—I've said it in advance of your coming with recommendations. And that's what Chuck has been hearing all about.

One last little thing I want to tell you. I have a letter on my desk that I have to answer. It just arrived. It's from a young man who had a water surfing accident—no, water skiing accident. He is a quadriplegic. He is totally dependent on the Government programs. But attached to his letter is a business card with his name on it. He has an idea for an independent business, a small

business, that he is organizing, to start. And the small business will be counseling and advising other disabled people to be able to free themselves from dependency and to become independent. And what he needs, and what I'm certainly going to try and work out for him, is some kind of a bridge from his present dependency to the success there—so that he can get by that bridge. And I think here, of all things, is a success story and an indication of what you've heard up here today. And that is what I've said myself so often—the overwhelming majority of the people on welfare want nothing more than to be independent of it and back out with the rest of us in the workaday world.

Now, I know we just have about used up all the time. I'd even thought maybe I would ask some questions here, but I know that we don't have time for it. But even so, the questions would have been kind of redundant because I think these four individuals made it pretty plain as to what they were doing. And I think as you all exchange information about what others have found can be done, we'll find the answer to this. And it will be an answer, in the American way, which we have neglected for too many years.

Thank you all, and God bless you all.

Note: The President spoke at 11:20 a.m. in Room 450 of the Old Executive Office Building. Charles D. Hobbs, Deputy Assistant to the President for Policy Development, moderated the discussion.

Nomination of Sally Brayley Bliss To Be a Member of the National Council on the Arts

February 11, 1987

The President today announced his intention to nominate Sally Brayley Bliss to be a member of the National Council on the Arts for a term expiring September 3, 1992. She would succeed Martha Graham.

For the past 4 years, Mrs. Bliss has been a participating member of the national screening committee for dance for the Ful-

bright-Hays scholarship program and has recently become a member of the board of visitors at the North Carolina School of the Arts. Mrs. Bliss is a former dancer, having performed for 7 years with the National Ballet of Canada; and artistic director for the Joffrey II Dancers, with whom she was affiliated for 16 years. Mrs. Bliss was a prin-

cial dancer with both the Metropolitan Opera and the New York City Opera, and she was a guest artist with the American Ballet Theater and the Joffrey Ballet. She is a guest teacher, lecturer, and consultant both in the United States and Canada; and

her current primary project is authoring a book on the changes in the field of dance over the last 30 years. She is married, has two children, and resides in Oyster Bay, NY. Mrs. Bliss was born September 18, 1937, in London, England.

Designation of Chester E. Norris, Jr., as Deputy United States Representative on the Economic and Social Council of the United Nations

February 11, 1987

The President today announced his intention to designate Chester E. Norris, Jr., a career member of the Senior Foreign Service and Class of Minister-Counselor, to be Deputy Representative of the United States of America on the Economic and Social Council of the United Nations. He would succeed Dennis C. Goodman.

Since 1986 Mr. Norris has been on detail to the United States Mission to the United Nations. Previously, he was counselor for economic affairs, American Embassy in Lagos, 1982-1986; with the Bureau of Near Eastern and South Asian Affairs, 1981-1982; economic officer, American consulate gen-

eral, Jeddah, 1979-1980; Director, Office of Development and Humanitarian Affairs, Bureau of International Organization Affairs, Department of State, 1976-1979; on detail, National War College, 1975-1976; trade promotion officer, American Embassy in Sydney, 1972-1975; trade promotion officer, American Embassy in London, 1970-1972; and economic/commercial officer, American Embassy in Tel Aviv, 1966-1970.

Mr. Norris graduated from the University of Maine (B.A., 1951). He is married, resides in New York City, and was born December 1, 1927, in Bangor, ME.

Appointment of Two Members of the Board of Visitors of the United States Military Academy

February 11, 1987

The President today announced his intention to appoint the following individuals to be designated members of the Board of Visitors to the United States Military Academy for terms expiring December 30, 1989. These are reappointments.

William D. Mounser, of Mississippi. Since 1970 Mr. Mounser has been an independent oil producer in Jackson, MS. Previously he was with Deposit Guaranty National Bank as a petroleum engineer and then vice president and manager, 1958-1970. He graduated from the U.S. Military Academy (B.S., 1948) and the University of Oklahoma (M.S., 1957). Following gradua-

tion from West Point, he was in the U.S. Air Force for 5 years and attained the rank of first lieutenant and aircraft commander. He was born March 31, 1926, in Jackson, MS.

Brig. Gen. George B. Price, USA (Ret.), of Maryland. Since 1984 General Price has been general manager of opera singer Leontyne Price. Previously he was executive vice president of Unified Industries, Inc., 1982-1984. General Price served in the U.S. Army for 28 years and retired in 1978. He graduated from South Carolina State College (B.S., 1951) and Shipensburg State College (M.S., 1971). General Price was born August 28, 1929, in Laurel, MS.

Appointment of Eight Special Assistants to the President for National Security Affairs February 11, 1987

The President today announced the appointment of eight members of the National Security Council staff as Special Assistants to the President for National Security Affairs, reporting to the Assistant to the President for National Security Affairs, Frank Carlucci. They are as follows:

Grant S. Green, Jr., will also serve as Executive Secretary for the National Security Council. He will succeed Rodney B. McDaniel. Since January 1983 Mr. Green has served in several senior management positions with Sears World Trade (SWT), and most recently he was assistant to the chairman. Before joining SWT, Mr. Green served in the U.S. Army (in the grade of colonel), where he last held the position of Military Assistant to the Deputy Secretary of Defense. Throughout his 22-year military career, Mr. Green served in a variety of infantry and aviation command and staff assignments, including tours of duty with the 82d Airborne Division, where he commanded the 2d Aviation Battalion. Mr. Green is a graduate of the University of Arkansas (B.A., 1961) and George Washington University (M.S., 1976). He is married, resides in Alexandria, VA, and was born June 16, 1938, in Seattle, WA.

Herman Jay Cohen, will also serve as Senior Director of African Affairs for the National Security Council. He will succeed Clark A. Murdock. Since 1955 Mr. Cohen has been a career Foreign Service officer with the Department of State, where he specialized in African affairs and served as United States Ambassador to the Republics of Senegal and The Gambia, 1977-1980. He has also served in various capacities in Uganda, Zimbabwe, Zaire, and Zambia. Mr. Cohen was Director for Central African Affairs, 1970-1974; and since 1980 Mr. Cohen has successively held the State Department positions of Deputy Assistant Secretary for Intelligence and Research and Deputy Assistant Secretary for Personnel. He is a Phi Beta Kappa graduate of the City College of New York. Mr. Cohen is married, has two children, and was born February 10, 1932, in New York City.

Robert W. Dean, will also serve as Senior Director of International Programs and Technology Affairs for the National Security Council. Since August 1986 Mr. Dean has served as Senior Representative for Strategic Technology Policy at the Department of State. Previously he was

Deputy Secretary of State for Politico-Military Affairs, 1981-1985. He served as national intelligence officer for the U.S.S.R. and Eastern Europe; as senior staff member at the Rand Corp. in California; and as policy assistant to the director, Radio Free Europe, Munich, Germany. Mr. Dean graduated from Brandeis University (B.A., 1964), the Graduate School of International Studies at the University of Denver (M.A., Ph.D., 1970), and Harvard University's Kennedy School of Government (M.P.A., 1977). He is married, has two children, and resides in McLean, VA. Mr. Dean was born January 16, 1942, in Boston, MA.

Fritz W. Ermarth, will also serve as Senior Director of Soviet and European Affairs for the National Security Council. He will succeed Ambassador Jack Matlock. Since 1984 Mr. Ermarth has served as the national intelligence officer for the U.S.S.R. and a member of the National Intelligence Council under the Director of Central Intelligence. In 1983 he served on the Hoffman panel to develop strategic perspectives for the President's SDI program and on the Levine panel to examine assessments of the Soviet economy for the President's Foreign Intelligence Advisory Board. He was a member of the National Security Council staff with responsibility for strategic and regional security planning, 1978-1980. Mr. Ermarth graduated from Wittenberg University (B.A., 1961) and Harvard University (M.A., 1963). He is married, has two children, and resides in McLean, VA. Mr. Ermarth was born February 20, 1941, in Chicago, IL.

Barry Kelly, will also serve as Senior Director for Intelligence and Multilateral Affairs for the National Security Council. Since his retirement from the Central Intelligence Agency in 1981, Mr. Kelly has worked in private industry, where he concentrated on issues affecting national security; and most recently he held the position as operations manager at Titan Systems, Inc. The major portion of Mr. Kelly's career has been with the United States Government, where he served in Nepal, Vietnam, and the Soviet Union. In 1978 he was appointed director of an office in the Central Intelligence Agency's Directorate for Science and Technology. Mr. Kelly graduated from the University of Pittsburgh (B.A.) and Duke University (M.A., James B. Duke fellow). He received the first CIA Distinguished Intelligence Officer

Award in 1980. Mr. Kelly was born May 12, 1931, in Jeannette, PA.

Ambassador Robert Bigger Oakley, will also serve as Senior Director of Middle East, South Asia, and North Africa Affairs for the National Security Council. Mr. Oakley has the rank of Career Minister in the Foreign Service, which he joined in 1957. He has most recently been a resident fellow at the Carnegie Endowment for International Peace. Previously, he completed a 2-year tour as Director of the Office for Combatting Terrorism at the Department of State, September 1984 to September 1986; Ambassador to the Somali Democratic Republic, 1982-1984; Ambassador to the Republic of Zaire, 1979-1982; Deputy Assistant Secretary for Asia and the Pacific, 1972-1979; and senior adviser of the National Security Council staff for the Middle East, South Asia, and North Africa, 1974-1977. Mr. Oakley graduated from Princeton University (1952). He is married, has two children, and resides in Washington, DC. Mr. Oakley was born March 12, 1931, in Dallas, TX.

Jose S. Sorzano, will also serve as Senior Director of Latin American Affairs for the National Security Council. He will succeed Raymond F. Burghardt. Since 1969 Dr. Sorzano has been an associate professor of government at Georgetown University. He is also president of the Cuban American National Foundation, an independent nonprofit organization dedicated to gathering and disseminating data about Cuban

economic, political, and social issues. During a recently concluded leave of absence from the University, Dr. Sorzano was appointed by the President as Ambassador and U.S. Representative to UNESCO, a position he held from 1981 to 1983. Subsequently, Dr. Sorzano was appointed to the position of Deputy U.S. Permanent Representative to the United Nations with the rank of Ambassador, where he served until August 1985. He graduated from Georgetown University's School of Foreign Service (B.S., 1965; Ph.D., 1972). Dr. Sorzano is married, has two children, and was born in 1940 in Havana, Cuba. He came to the United States in 1961 and became a United States citizen shortly thereafter.

Paul Schott Stevens, will also serve as legal adviser for the National Security Council. Formerly a partner in the firm of Dickstein, Shapiro and Morin, Mr. Stevens has been engaged in the private practice of law in Washington, DC, since 1978. Previously, he served as Deputy Director and General Counsel of the President's Blue Ribbon Commission on Defense Management, 1985-1986; and he was a lecturer in law on the adjunct faculty of the Washington College of Law at the American University, 1980-1983. Mr. Stevens graduated from Yale University (B.A., 1974) and the University of Virginia School of Law (J.D., 1978). He is married, has one child, and resides in Alexandria, VA. Mr. Stevens was born November 19, 1952, in New Orleans, LA.

Statement on Proposed Catastrophic Health Insurance Legislation *February 12, 1987*

I will propose to Congress a comprehensive plan for providing health insurance for those who suffer a catastrophic illness. We all know family, friends, or neighbors who have suffered a devastating illness that has destroyed their financial security. As medical science has given us longer lives, we must face the new challenges to ensure that the elderly have security in their old age. A catastrophic illness can be a short-term condition requiring intensive, acute care services or a lingering illness requiring many years of care. It can affect anyone—the young, the middle-aged, the elderly. The single common denominator is financial. It can require personal sacrifices that haunt

families for the rest of their lives.

I am asking Congress to help give Americans that last full measure of security, to provide a health insurance plan that fights the fear of catastrophic illness. My plan would provide acute care for those over 65 by restructuring the Medicare program. Under my proposal, the elderly would receive catastrophic health care coverage under Medicare, while limiting out-of-pocket expenses to \$2,000. This coverage will be made available for an additional monthly Medicare premium of \$4.92. The plan also aims to improve protection for the general population and for the long-term care of the elderly. For too long, many of

our senior citizens have been faced with making an intolerable choice—a choice between bankruptcy and death. This proposed legislation would go a long way to help solve that dilemma.

Note: Marlin Fitzwater, Assistant to the President for Press Relations, read the statement to reporters at 12:15 p.m. in the Briefing Room at the White House.

Remarks to Students From Hine Junior High School on Abraham Lincoln

February 12, 1987

The President. Good afternoon, and welcome to the Old Executive Office Building. Now, you might have heard that just last week I celebrated the 37th anniversary of my 39th birthday. *[Laughter]* And come to think of it, I guess that makes me older than any four or five of you put together. *[Laughter]* But at my age, I can't tell you how good it makes me feel to be with young Americans—to share your optimism and your energy and your hopes for the future. So you see, you've given me a gift today, and I want to begin by simply saying thank you.

Before I talk about the heritage of Abraham Lincoln that we cherish, I want to mention a decision that I've made today of special significance to your families and ultimately to you. I will be sending to Congress a plan for providing through Medicare protection against the tremendous costs of catastrophic illness. Now, for those of you who might not have heard that term, that is those peculiar things that can happen, either by way of an accident or an ailment—a disease that results in hundreds of thousands of dollars in medical expense. And I'm certain that each of you has parents or grandparents or knows others who are facing the crisis of a catastrophic illness. The proposal I'm announcing today is a giant step forward in helping those who, before now, would have had to make a choice between financial ruin or death. With the protection that this plan will provide, senior citizens will now be safe from the worst fear of old age: having their life savings taken away to pay the costs for an acute care due to a catastrophic illness.

Well now, we've gathered here this after-

noon to celebrate the life of Abraham Lincoln. And I suppose I'd better point out that, despite what you may have heard, it's not true that honest Abe and I went to school together. *[Laughter]* It is true, however, in this young country of ours, that when I was your age there were Americans who could remember Abraham Lincoln—people who had heard the tall lanky man promise “malice toward none” as he stood on a platform at the Capitol to give his second inaugural address; people who had gathered in a field in the gentle land of southern Pennsylvania to see the gaunt, war-weary President dedicate a cemetery with the Gettysburg Address; people who'd heard Mr. Lincoln swap jokes with country politicians and seen his dark eyes sparkle; people who'd stood by the tracks in silence as a train draped in Union flags rolled past, bearing the body of the fallen President from Washington across the great spaces of the young Nation back home to Springfield, Illinois. Indeed, on Memorial Day there would be members of the Grand Army of the Republic marching in that parade, veterans of the Civil War. Even now, ours remains a young nation. And Lincoln gave voice to that youth. For even in the bleakest moments, even when he set his face grimly toward war, he was untouched by cynicism or loss of faith. Mr. Lincoln believed—he believed in freedom, believed in the goodness and the ability of his heroes—the people of this country.

Abe Lincoln was born in 1809 in a log cabin in the western wilds of Kentucky. And he spent his entire youth and boyhood in poverty, in frontier places where men hewed down endless trees, forcing the

forest with their own muscles to give up its poor land for crops; where women cooked over open fires and washed their clothes in creeks. Formal education was impossible, but young Lincoln pored over the few books he could find, studying the Bible in particular, probably the only book that his family owned. And I'm sure you must have heard that sitting by the open fire as a boy, he would work out arithmetic problems and so forth with a piece of charcoal on a wooden shovel that was there by the fireplace. The first lesson that the life of Abraham Lincoln has to teach is: You don't have to be rich to love learning and make something of yourself.

Before he became President, Lincoln succeeded as a lawyer in only a modest way; and in politics, he failed repeatedly. He lost his first race for the State legislature in Illinois. And when at last he was elected, he ran twice for speaker of the Illinois house. And both times he was defeated. In 1856 he campaigned for his party's Vice-Presidential nomination, and the nomination went to another. In 1858, he ran for the Senate, and he was defeated. Even as President, Lincoln at first seemed a loser. The Union armies met defeat in the crucial early engagement of the Civil War, then frittered away time drilling on their campgrounds when they should have been pursuing the enemy. In England, the most powerful nation in Europe, informed opinion sided with the Confederacy and held that it would be a matter of months before the North lost the war and the crude, backwoods President was forgotten. That's the second lesson Mr. Lincoln can teach us: If you are in the right, ignore defeat. Persevere. For in persevering, Lincoln saved the Union and won freedom for the more than one-tenth of the population that had been kept down in bondage.

Like all men, Lincoln was affected by the prejudices of his time—even in his first years as President he held that, subject to certain conditions, slavery could never be tolerated. But Lincoln kept thinking; his understanding of human dignity deepened. In September of 1862 Lincoln assembled his Cabinet. He explained that he'd made a vow regarding human freedom to himself and, he added hesitatingly, to "his maker."

When Congress convened in December, he explained, he would push for compensated emancipation in the States that had remained loyal to the Union. And then President Lincoln read the text of the Emancipation Proclamation, a document declaring that in the rebel States, all Americans, whatever their color, should be "... thenceforward and forever free."

This is Lincoln's greatest lesson, this lesson in liberty. He understood that the idea of human liberty is bound up in the very nature of our nation. He understood that America cannot be America without standing for the cause of freedom. He had often asked himself, Mr. Lincoln once said, what great principle or idea it was that held the Union together for so long. "It was not," he said, "the mere matter of the separation . . . from the motherland." It was something more. It was "... something in that Declaration of Independence giving liberty, not alone to the people of this country, but hope to the world . . . it was that which gave promise that in due time the weights should be lifted from the shoulders of all men."

In other countries, young men and women your age look back on the histories of their nations to emperors and kings, glorious figures raised in palaces, attended upon by servants, given every refinement of education by the most eminent scholars of the day. You as Americans look back on a different kind of figure; a poor man; a humble man of the frontier and prairie whose parents could neither read nor write; a man polite society looked down on because he told too many jokes. Yet, for all that, a man who shook the world by consecrating himself and his nation to liberty. You know, I have to tell you something about that joking thing. A great many people criticized him. They thought he laughed too much and had jokes. He had an answer for them. He said, "I couldn't perform the duties of this job for 15 minutes if I couldn't laugh." And then he went on and said something else, also—not at that same time. He said also that he couldn't perform the duties of that office if he didn't feel that he could ask for help from someone who was wiser and stronger than all others.

Perhaps you and I can best honor Abraham Lincoln by continuing his work. We see in recent incidents at Howard Beach, New York, and Forsyth County, Georgia, that racism is still with us—North and South. Let each of us work to eliminate this scourge from our country. And in our own lives let us strive to live up to Mr. Lincoln's example: his respect for gentleness, for knowledge; his humor; his tolerance of his fellow men; his abiding love for America.

You know, living in the White House is kind of an experience. You can't ever be free of the knowledge of who and how many have preceded you there. But as more telling with Lincoln than with everyone, because just down the hall from where we go to sleep at night is Lincoln's Bedroom, furnished exactly as it was back there for him. And there's even a legend in the White House that he's still there. As a matter of fact, people who've worked there through several Presidents will go out of their way to tell you, yes, that they believe he is. Now, I haven't seen him myself. [Laughter] But I have to tell you, I am puzzled. Because every once in a while our little dog, Rex, will start down that long hall toward that room just glaring as if he's seeing something and barking. And he stops in front of Lincoln's door, the bedroom door. And once, early on in this, I just couldn't understand it. So, I went down and I opened the door, and I stepped in, and I turned around for him to come on, and he stood there, still barking and growling and then started backing away—[laughter]—and would not go in the room. So, the funny thing, though, is I have to feel—unlike you might think about other ghosts—if he is still there, I don't have any fear at all. I think it would be very wonderful to have a little meeting with him and probably very helpful.

How many of you have gone to the Lincoln Memorial? You must have. Well, now I want to ask you—the first time I was ever there, someone, a veteran of being there, told me to do something. And I wonder if you were ever told to do it. And that is, to go in and stand on one side of that great monument and look up at the profile of Lincoln. But then to go round to the other side of the statue and look at the other side

of Lincoln. And what the artist has accomplished—if you ever have another chance, go there and try this: on one side in that face you see strength. You see the thing that he had that made him able to deal with those problems. When you get around to the other side, that side of the face, you see compassion. You see the great kindness of that man. Now, I don't know how the artist accomplished that, but it's there. So if you haven't done that, make another trip sometime and see if that isn't true.

Well, I guess that's enough of a history lesson here for today. There are many stories about Lincoln that could be told, but I know that I'm not to keep you here any longer. And I just want to thank you all for being here. And that thing that I said about loving our fellow man and tolerance and so forth—I was blessed. I was raised in a family that—my mother and father told my brother and myself that the greatest sin there was was intolerance, prejudice against any other people for any reason. And we grew up with that, both of us, and I'm happy for it. And your generation, you don't have anything to live down as my generation did, of previous practices that were based on prejudice. So, just make up your minds and believe firmly, we're all God's children, equally beloved by him. And as he made it plain, by loving one another, we in turn do love him.

So, God bless all of you, thank you very much.

Mr. Coles. Mr. President, I realize that your schedule is very busy, but I would feel very remiss if I didn't have an opportunity to convey to you some of the messages that we at Hines feel.

You know, a few years ago, as I look back down the annals of time, as I travel back to 1809—I see a little baby, a baby who could not know his destiny; a baby who could not know that the unity of the whole country will rest in his hands; a baby who could not know that he will be responsible for the removal of a nation's shackles. And then, as time progresses, I see this boy gradually accepting the mantle of manhood. And then, as we come up to 1863, I see, as Dr. King said, "a facilitating President signing the Emancipation Proclamation." And then, as

we come through the years, as we come up to 1983, another Republican President is in the White House. This President also saw the need to remove shackles. These were the shackles of indifference toward education. President Lincoln's proclamation was used to unite the country, but President Reagan's proclamation was used to unite the minds. President Lincoln's proclamation can be found in any reference book, while President Reagan's proclamation is a living testament to the commitment of educational excellence.

The shackles that President Reagan loosed were not physical shackles; they were the shackles of ignorance. They were the shackles that bound the mind and kept the school from reaching its maximum potential. It seemed as if nothing could break these bonds. And then there came a man, a man with the authority to make a change and the compassion to do so. This man, much like Abraham Lincoln, saw the condition and proceeded to rectify it. And it was then that the school adoption program was implemented. And now I, on behalf of the students of Hines Junior High School, wish to thank you, Mr. Reagan. If it was not for—if it were not, rather, for your proclamation, we wouldn't have had a chance to ride the battleship *Eagle*. If it wasn't for your proclamation, we wouldn't have had a chance to have a Redskins All Star Club with tutoring in all of the four major subject areas, with communications and cultural enrichments; we wouldn't have had a chance for Redskins and Redskinettes to come to Hines and sponsor many social events; we wouldn't have had that chance if you hadn't decided to make a change. The gratitude that we feel is not for mere words to define.

But we also wish to thank Mrs. Dole. We wish to thank all of the Maritime Associates. I could stand up here all day long and I could never finish telling you the things that DOT has done for Hines. But instead, I'll conclude by saying this, as a famous orator once stated: "In order to discover

new oceans, first you must have the courage to lose sight of familiar shores." Those people that I have named—they were in actuality helping Hines to discover new oceans. Whenever President Reagan signed a bill or advocated legislation for the improvement of the schools in any way, shape, form, or fashion, he was in actuality helping Hines and our advocates to discover new oceans.

And now, with that in mind, I wish now to present to you, Mr. Reagan, this Hines Junior High School jacket. But we sincerely hope that you will not consider this as merely a jacket. We hope that you consider this as a symbol of the bond that we now share. And with this jacket comes a lifetime association with the Hines family. And with a open heart do we welcome thee.

The President. Thank you very much. I am very proud to have this. And, you know, I know there are present here—and I have met here a few on the platform—principals, some teachers, as well as students. And I know at your age, it's awfully easy sometimes to get very frustrated and sometimes think they were oppressing you. I remember once sitting in the principal's office when I was in high school. [Laughter] I hadn't been invited there for a social. [Laughter] And he said something that I remembered over the years. He said to me: "You know, Reagan, I don't care what you think of me now. I'm only concerned about what you may think of me 15 years from now." And more than 15 years later, and before his death, I had the opportunity to tell him how I felt about him—15 years later—and how much a part he had played in my life and how indebted I was to him.

So, God bless all of you here, and thank you very much for this.

Note: The President spoke at 1:34 p.m. in Room 450 of the Old Executive Office Building. Michael Coles was a ninth-grade student at the school. Elizabeth H. Dole was Secretary of Transportation.

Proclamation 5608—National Year of Thanksgiving, 1987 February 12, 1987

*By the President of the United States
of America*

A Proclamation

We, as a people, have been truly blessed, and for these blessings we should be everlastingly grateful to the God to Whose providence this Nation was committed from its very inception. President Washington issued a Thanksgiving Proclamation in 1789 “to recommend to the people of the United States a day of public thanksgiving and prayer to be observed by acknowledging with grateful heart the many signal favors of Almighty God, especially by affording them an opportunity peaceably to establish a form of government for their safety and happiness.”

To remind us of our own rich heritage and the blessings of life in America, 1987 has been designated the National Year of Thanksgiving. It is no coincidence that this is the year in which we celebrate the 200th anniversary of our Constitution.

The early settlers of our country possessed a strength and a conviction based on their faith in God that helped them withstand the rigors and hardships of carving a nation out of wilderness. They laid a firm foundation built on the worth, dignity, and inalienable rights of the individual. For sustaining them and granting them success in bringing forth on this continent a new Nation, they praised the Almighty and His mercy.

Throughout our history our Presidents have summoned the Nation to continue this tradition of praise and thanksgiving. From George Washington kneeling in the snow at Valley Forge to Abraham Lincoln praying for the preservation of the Union to Franklin Roosevelt expressing confidence the prayers of mankind would bring us through to victory, we have turned with faith and trust to the One Who holds the whole wide world in His hands.

The national celebration of the Bicentennial of the Constitution also gives us an opportunity to remember and honor those who gathered in Philadelphia to forge a document that would provide a blueprint for this great Nation. Benjamin Franklin, the oldest member of the Assembly, reminded his fellow delegates that God had heard their prayers during their struggle for Independence. Should they not remember, he asked, that God governs in the affairs of men? “If a sparrow cannot fall without His notice,” he urged them, “how can an empire rise without His aid?”

We look to the future of our Nation in this same spirit. Let us thank God for our constitutional form of government, for our precious freedoms of speech, assembly, religion, and the press, and for all those who sacrificed to preserve them in peace and in war for two centuries.

In recognition of the vital role that expressions of thanksgiving play in our national heritage, the Congress, by Public Law 99-265, has designated 1987 as a “National Year of Thanksgiving” and authorized and requested the President to issue a proclamation in observance of this event.

Now, *Therefore, I, Ronald Reagan*, President of the United States of America, do hereby proclaim 1987 as a National Year of Thanksgiving, and I urge all Americans during this year to celebrate and demonstrate our gratitude for God’s blessings and to be grateful for our heritage and our future.

In Witness Whereof, I have hereunto set my hand this twelfth day of February, in the year of our Lord nineteen hundred and eighty-seven, and of the Independence of the United States of America the two hundred and eleventh.

RONALD REAGAN

[Filed with the Office of the Federal Register, 11:45 a.m., February 13, 1987]

Statement on Signing the Emergency Food and Shelter Bill *February 12, 1987*

Today I have approved H.J. Res. 102, a joint resolution containing four unrelated provisions. This legislation provides \$50 million in additional funds for the emergency food and shelter program run by the Federal Emergency Management Agency through a consortium of private charitable and religious organizations to assist the homeless by transferring funds from the disaster relief program; authorizes the Veterans Administration to contract for treatment and rehabilitation services in community-based treatment facilities for veterans suffering from chronic mental illness; disapproves a proposed deferral of funds for intrastate storage and distribution costs of surplus food donated to the States for the needy; and in section 3 purports to disapprove the pay raises I recommended for the Vice President, Members of Congress and the judiciary, and certain executive branch officials.

The Attorney General has advised me that the purported disapproval of my pay recommendations is without any legal force

and effect because the House of Representatives did not vote on the resolution until after expiration of the statutorily prescribed 30-day period for passage of a joint resolution of disapproval. The Federal Salary Act, pursuant to which I made these recommendations gives the Congress 30 days in which to pass a joint resolution disapproving the recommended increase. That act, of course, does not prevent the Congress from taking legislative action that either amends the act or sets the statutory rates of pay for covered individuals. Subject to the constitutional limitations in article III, section 1, precluding a decrease in compensation for members of the judiciary, I recognize that the Congress has the legal authority to repeal the pay raise. In this case, however, the Congress chose to use the 30-day joint resolution of disapproval mechanism provided in the act, and its actions must be interpreted accordingly.

Note: H.J. Res. 102, approved February 12, was assigned Public Law No. 100-6.

Designation of Julius W. Becton, Jr., as National Defense Stockpile Manager *February 13, 1987*

The President today designated Julius W. Becton, Jr., Director of the Federal Emergency Management Agency, as National Defense Stockpile Manager. This is a new position.

Prior to his current position, Mr. Becton served as Director, Office of Foreign Disaster Assistance, Agency for International Development, 1984-1985. He is also government representative to the American Na-

tional Red Cross. For more than 35 years, he served in the United States Army, retiring with the rank of lieutenant general.

Mr. Becton graduated from Prairie View A&M College (B.S., 1960), the University of Maryland (M.A., 1966), and the National War College (1969-1970). He is married and has five children. Mr. Becton resides in Alexandria, VA. He was born July 29, 1926, in Bryn Mawr, PA.

Remarks Congratulating the New York Giants, 1987 Super Bowl Champions

February 13, 1987

The President. Well, it's wonderful to have you all here. Nancy was going to invite you to my birthday party last week, but when I mentioned the way you like to celebrate, she said she didn't think that wearing Gatorade was Presidential. [Laughter] So, next week in Washington we'll be addressing the critical issues of excellence and competitiveness in American life. And I can't think of a better kick-off than having the New York Giants here today. No one who saw your performance during those close games in the middle of the season and your overpowering victories in the playoffs and the Super Bowl can doubt "The Jints" are a great football team. [Laughter]

Now, I know Coach Parcells has a family commitment today and couldn't be with us, but I also know he's going to be a little upset with me for saying that. I read somewhere that he likes to keep everything nice and modest and humble and understated. I even hear that when, from time to time, great players like yourselves make mistakes, he issues only very gentle, low-key, even tender reminders like: "Now, now, line-backer Carson, that's a no-no." [Laughter] I guess the truth is that Bill Parcells is a little more outspoken than that. But I also guess that coaches do have a right to take the game seriously. Not as seriously as the fans, of course, but seriously.

I can remember the old story told about one Notre Dame coach—now, not the coach you're thinking of—[laughter]—believe me, if I start telling Rockne stories we'll be here all day. [Laughter] No, this story is about one of Rock's successors and one of his own players, Frank Leahy. It was in a game Notre Dame played back in 1946 and Notre Dame player Bob Livingstone missed a tackle. And his teammate, Johnny Lujack, screamed, "Livingstone, you so-and-so, you!"—and he went on and on about that. And then Frank Leahy said, "Another sacrilege like that, Jonathon Lujack, and you'll be disassociated from our fine Catholic university." Well, in the very next play

Livingstone missed another tackle. And Coach Leahy turned to the bench and yelled, "Lads, Jonathon Lujack was completely right about Robert Livingstone!" [Laughter] But the serious side of football is something the Giants and their fans understand. After that famous play in 1978 against the Eagles, one loyal Giant fan, Mike Taubin, put it this way: "My seats are in the end zone and I can still see Herman Edwards coming straight toward me. My life was over!" [Laughter]

Well, as both stories suggest, football is more than just serious business—and being successful at it means realizing that. Harry Carson and the Gatorade bucket proves my point. The New York Giants played great football this year, but they also had fun. That kind of spirit has always marked the great Giants teams. That's why our fans have been so—or your fans, I should say, have been so loyal and for so many years. I don't have many fans anymore. [Laughter] Well, they knew that someday they would have a great team again and that such a team would mean more than just great athletes, it would mean a team with a heart—a team that liked each other and a team that loved fun, but loved winning more.

So don't forget, you're continuing one of the best traditions in football history. Some say those Baltimore Colts versus New York Giants games in 1958 and '59 were the greatest ever played. And who can ever forget the offense of Conerly, Gifford, and Rote and the great defense of Huff and Modzeleswki and Grier. Today's Giant organization—Wellington Mara, Tim Mara, George Young, Bill Parcells, and, above all, this team is marked by that tradition and that spirit. It's a tradition you've continued and ennobled. I know what a moment it must have been for you, well, Mara, when Charley Conerly walked over and hugged you after the Super Bowl.

You know, I was going to mention some names now. I wanted to single out Joe Morris as the courageous sparkplug who, in

almost every game, got the offensive weapon going. And then there was Brad Benson's war with a great opponent named Dexter Manley. And all of you on that tremendous Giants offensive line. You see, fellas, I used to play guard—[*laughter*]—right guard, that is. [*Laughter*] I'm sympathetic—and then receivers like Mark Bavaro or Phil McConkey. Phil, as you know, I'm partial to flag-wavers. [*Laughter*] Of course, the defense—sportswriter Paul Zimmerman said that, "Coach Parcells likes to collect elephants. Also linebackers. And sometimes it's hard to tell them apart." [*Laughter*] I'm glad he didn't say donkeys. [*Laughter*] That took a minute, didn't it? [*Laughter*]

All I can say is I'm awful grateful the Gipper played before your time. But Lawrence Taylor, Harry Carson, Carl Banks, Byron Hunt, Andy Headen, Gary Reasons, and the rest of you—you were all superb this year. And so were the men in front of you, from Jim Burt to George Martin; and those behind you—a secondary that took some critical losses this year but came right back at the opposition. And finally, I wanted to single out Phil Simms, not only for his great play on the field but for his character as a leader. But it's hard to single out people on this team. It wasn't just Phil or Joe or L.T. or Harry. The one thing everybody noticed about this team is that it was a band of brothers, a team forged by one undeniable bond—the will to win.

You know, a young boxer in New York once asked the Westside Y's boxing coach Bob Chiocher what made a good fighter. And Coach Chiocher didn't answer with, well, quick hands or fast feet or punching power or any of the number of other answers that you might expect. He said instead, "A good fighter is a hungry fighter." Well, it's the same with football teams or in any sport. And this year the Giants were hungry for victory—victory for their owners, for their coaches, and for their fans; hungry to excel and to be the best; and hungry to prove that they were true representatives of a great and grand football tradition. That's what the Super Bowl victory meant. As George Martin said after the game, "The Giants of yesteryear have passed the torch."

So, I want to congratulate all of you—George Young for playing such a crucial role in developing this team, Coach Parcells, the Maras. All of us today, all of America, salute you. And we salute you as the best.

Thank you all, and God bless you.

Mr. Young. It's nice to be here surrounded by the Secret Service instead of by the Redskins. [*Laughter*] It's a privilege for me to represent the Giant organization in thanking the President for inviting us to meet him and also for inviting us to visit the most famous home in all the world. But before we do anything more, we have some presents for Mr. President from three of our captains—Phil Simms, George Martin, and Harry Carson. But Harry Carson, you'd better be careful of—he's a little sneaky. [*Laughter*] Phil Simms will be first.

Mr. Simms. On behalf of the Giants, Mr. President, I'd like to present you with this jersey. We would like for you to be part of our team. And of course the number, I think, is very suitable for you.

Mr. Carson. Mr. President, I had to talk some of my teammates out of dunking you because that's what they wanted me to do to you. [*Laughter*] But instead, I would like to present to you this visiting team jersey so that whenever we come to RFK, you can sit in the stands and root for the best team.

Mr. Martin. Mr. President, all of the ballplayers of the New York Giants voted unanimously to make you an honorary ballplayer of the New York Giants. They did so only because they said that you and I were very close in age. [*Laughter*] I quickly informed them that as a senior member of the New York Giants that that grants me the veto power. [*Laughter*] And in doing so, sir, I would like to give you a replica of our Super Bowl ring and make you an honorary coach of the New York Giants.

The President. I thank you all. I once played opposite a fellow that could've worn that ring. [*Laughter*] He outweighed me 100 pounds. And I decided I wasn't going to go under him. And I couldn't go over him. I decided to go around him, and I almost got killed. I met our tackle coming around the other side. [*Laughter*] But when do I report? [*Laughter*] Well, thank you all.

God bless you all for being here. We're all proud of you.

Note: The President spoke at 3:05 p.m. in the East Room at the White House. In his

remarks, the President referred to former New York Giants players Charley Conerly, Frank Gifford, Kyle Rote, Sam Huff, Richard Modzeleski, and Rosie Grier.

Radio Address to the Nation on Proposed Catastrophic Health Insurance Legislation *February 14, 1987*

My fellow Americans:

This afternoon I'd like to spend a few moments discussing a decision I made this week, a major decision that's likely to affect virtually every family in America. Our administration will propose to Congress a comprehensive plan to cover catastrophic illnesses. A catastrophic illness can strike anyone—the young, the old, the middle aged. The single distinguishing characteristic is simply this: Whatever form it takes, a catastrophic illness costs money—lots of it. The problem has grown in recent years as we've achieved medical breakthroughs enabling Americans to live longer lives. Come to think of it, I myself have already lived some 22 years longer than the life expectancy at the time of my birth. But longer lives for Americans involves the challenge of seeing to it that our older citizens have the financial security they need. With our new proposals, I'll be asking the Congress to join our administration in meeting that challenge.

In brief, this is how the proposals break down: First, we're asking Congress to legislate acute catastrophic illness insurance for Medicare beneficiaries, most of whom are 65 and over. Under this proposal, Medicare itself would be amended to provide unlimited Medicare coverage. Moreover, our proposal would establish a limit of just \$2,000 for out-of-pocket Medicare expenses that can presently run into the many thousands. And we can do all this by adding just \$4.92 to the Medicare monthly premium. This is a pay-as-you-go program, a program that requires no tax dollars. Now, what does this mean in practical terms? Well, the answer is simple: peace of mind for some 30 million

older Americans. Suppose, for example, that someone over 65 fell and broke a hip. And then suppose that, while still recovering, she contracted pneumonia. A broken hip and pneumonia—that could mean two acute care hospitalizations within the same year, care that would cost thousands. Under Medicare as it stands today, the patient herself would have to pay a significant portion of these costs—and all but the very wealthy would be wiped out. But under our proposal, Medicare itself would pay most costs above \$2,000, giving the patient financial security.

Regarding the cost of long-term care for older Americans, there are no easy answers. But in its second part of our initiative, our proposal calls for the Treasury Department and others to find ways of helping families meet these costs. Options we will examine include, for example, favorable tax treatment for savings accounts established to meet the costs of long-term care. Of course it's too early to predict what will work best, but the important point is that our proposal calls on the Government to start working. I'm confident that, working with Congress and private insurers, we can find a new and innovative way to ease the financial burden of long-term care.

But our proposal isn't just aimed at older Americans. In part three of our initiative, we will take steps to improve catastrophic illness coverage for all Americans, regardless of age. Under our plan, the Federal and State governments would work together to promote the formation of what are known as risk pools within the States—helping to provide insurance for those who could not otherwise obtain insurance. We will encour-

age the States to use their authority to require catastrophic coverage as part of the health insurance available through employers. And we'll work with Congress to change certain requirements, giving the States more flexibility in the management of Medicaid programs. And as in many matters related to health care, education is important. Under our plan, the Federal Government would work with the private sector to make widely available information about the risks, costs, and financing options of various forms of catastrophic illness insurance; and to encourage every American to plan for his health care in the future.

All of us have family, friends, or neighbors who have suffered devastating illnesses that threatened their financial security. For

too long older Americans, in particular, have faced the possibility of sicknesses that might not only wipe out their own savings but those of their families. Our proposal would make available catastrophic medical insurance for every American eligible for Medicare. It would take steps to provide catastrophic illness coverage for Americans of all ages. And it would begin the search for ways to meet the costs of long-term care. As I said a moment ago, what it all comes down to is peace of mind. And I think you will agree—it's worth it.

Until next week, thanks for listening, and God bless you.

Note: The President spoke at 12:06 p.m. from Camp David, MD.

Letter to the Speaker of the House of Representatives and the Chairman of the Senate Foreign Relations Committee Transmitting a Report on Compliance With Arms Control Agreements February 17, 1987

Dear Mr. Speaker: (Dear Mr. Chairman:)

I am pleased to transmit the enclosed report on the adherence of the United States to obligations undertaken in arms control agreements and on problems related to compliance by other nations with the provisions of bilateral and multilateral arms control agreements to which the United States is a party.

This report, updating last year's report, meets the requirements of Section 52 of the Arms Control and Disarmament Act, as amended in the FY 1986 ACDA Authorization Bill. It was prepared by the Director of the U.S. Arms Control and Disarmament Agency in coordination with the Secretary of State, the Secretary of Defense, the Secretary of Energy, the Chairman of the Joint Chiefs of Staff, and the Director of Central Intelligence.

In previous reports to the Congress, the United States has made clear its concerns about Soviet noncompliance. These concerns remain. The United States Government takes equally seriously its own commitments to arms control agreements and

sets rigid standards and procedures for assuring that it meets its obligations. The United States has been and remains in compliance with all current treaty obligations and political commitments.

In view of the continued pattern of uncorrected Soviet violations and the increasing magnitude and threat of Soviet strategic forces, I decided on May 27, 1986, to end the U.S. policy of observing the SALT I Interim Agreement (which had expired, and which the Soviets were violating) and the SALT II Treaty (which was never ratified; which, had it been ratified, would have expired on December 31, 1985; and which the Soviets were violating). These agreements are now behind us, and Soviet allegations and the facts of Soviet compliance with regard to these agreements are therefore not discussed in this year's report. For our part, we will continue to exercise utmost restraint in our strategic force programs as we press for equitable and effectively verifiable agreements on deep reductions in U.S. and Soviet nuclear arsenals.

This report is unclassified and suitable for general release. However, a classified attachment, providing information on non-compliance by other nations with provisions of multilateral arms control agreements, is being provided under separate cover.

Sincerely,

RONALD REAGAN

Note: Identical letters were sent to Jim Wright, Speaker of the House of Representatives, and Claiborne Pell, chairman of the Senate Foreign Relations Committee.

Remarks to Business Leaders at a White House Briefing on Economic Competitiveness *February 17, 1987*

Well, George [Bush] and I thank you all very much, and welcome to the White House. Today—in this, the 200th anniversary year of the writing of the Constitution, and here in one of America's most historic buildings—we're gathered, yes, as leaders of government; yes, as business people; yes, as educators; yes, as scientists; yes, as all of these, but even more as Americans. We're here to take a step into America's future. We'll talk today about the 21st century. That seems like the distant future; but in the life of a person, much less the life of this still young nation, the 21st century is but a few moments away.

A child who begins kindergarten this year will graduate from high school in the year 2000. It's not too early to ask what kind of a nation that child will inherit from us. Will we give that child the best education in the world to prepare for leading our country and the world in the next century? While that child is growing up, America's industrial base will be changing. And here, if his parents find themselves in a shrinking industry, will they have the opportunity to be retrained for jobs of the future, not those of the past? And when that child grows up, will he find himself in a strong, competitive nation that is a proud leader of a fair, free, and growing world's economy? Or will he or she find themselves in one that has built walls to isolate itself and that, in its isolation, has stagnated and declined?

In the last 6 years America has once again become the economic wonder of the world, the land of promise to which people

everywhere look as a beacon of hope, freedom, and growth. We cut tax rates, and now all around the world, other nations are taking notice. We cut regulations that stifled economic growth—and here, also, other nations are following us. We've done all this, and as a result we've reignited the American flame of opportunity and created more new jobs in the last 5 years than Europe and Japan combined. Will we now prepare the way to continue this legacy of opportunity into the next decade and into the next century? These are the questions that we Americans will answer. And let me put my cards right here on the table. I have a very simple goal, and I believe all Americans share it. Call it competitiveness. Call it a quest for excellence. Call it preparing for the 21st century. In the year 2000 we want America still at the top of the charts, the front of the pack, the head of the class. Yes, in the year 2000 we want America to be number one—and climbing still for the stars.

In today's world that's going to take some doing. In the years ahead we're going to have to work harder and work better. And we're going to have to be clear from the start about what the right and wrong paths are. Like the story about Lincoln—his birthday was last week, so I thought I'd tell you a Lincoln story. *[Laughter]* As a young lawyer he once had to plead two cases in the same day before the same judge. Both involved the same principle of law, but in one Lincoln appeared for the defendant

and in the other for the plaintiff. Now, you can see how this makes anything above a 50-percent success rate very difficult. [Laughter] Well, in the morning Lincoln made an eloquent plea and won his case. Later he took the opposite side and was arguing just as earnestly. Puzzled, the judge asked why the change of attitude. Well, "Your Honor," said Honest Abe, "I may have been wrong in the morning, but I know I'm right now." [Laughter]

The quest for excellence that I have in mind is not just a legislative package, although legislation will play a part. It is not just another government program, although government has a role. Rather, it's a great national undertaking that will challenge all Americans to be all that they can be, to work together to seek new opportunities, to be the very best in a strong and growing international economy—an international economy that gives us both the challenge of competition and, as it grows and we grow with it, the promise of a century of prosperity ahead.

To America's business the quest for excellence will be the challenge to make products more efficiently, to embrace new ideas, better methods of management, and new technologies; yes, to make the proudest, most desirable label on more and more products and services around the world, the label that reads: "Made in America." To America's workers the challenge is to be prepared for the new jobs and new skills of the future and to prove, in the quality of their work, that the pride is indeed back. To America's educators the challenge is to prepare our students for this changing world so that they can write clearly; so that illiteracy among this great and free people becomes a thing of the past and more children read at their level skill or above; so that every high school graduate has a basic understanding of mathematics and science and knows how to work a computer; and so that every graduate knows the meaning of our sacred American heritage.

In the last 3 years Governors, mayors, school boards, and parents around the country have made quality the focus of their reforms. The challenge now is to finish the job—to make sure that by the year 2000 America has the best educational system in

the world. Yes, to all of us, the quest for excellence is a challenge to join together in looking to the new world marketplace not as a source of fear and uncertainty, but in the way Americans have always looked at their challenges: as a great opportunity, as another open frontier for the American spirit, as America's great next adventure.

As America moves toward the 21st century, government also has a role in our great national quest for excellence. We have already taken giant steps. Our tax reform has given us the most incentive-oriented tax system in the world. And already other governments are asking themselves what they can do to catch up with us. Perhaps you saw a newspaper account recently about a German entrepreneur who has built three factories here in America and is building another. These factories make products for export to Latin America and the Far East. Explaining why he was building export factories in America rather than Germany, he told the reporter that the difference was taxes. Because of taxes, he said: "In the United States, I have to earn \$1.8 million in order to put \$1 million in my own reserves. In Germany I have to earn \$4 million to do the same thing." But as much as our tax reform has done to make America more competitive, there is still more to do. This week I'm sending to Congress proposed legislation to ensure that government will contribute its share to America's quest for excellence. Ours is a diverse package, as diverse as the challenge before us. But diverse though it is, it has one central purpose, and that is to make certain that in the years ahead the door of opportunity and excellence is open to all Americans.

For America's workers this package will include new efforts for job retraining. Properly prepared workers in our declining industries can be the competitive edge for our rising industries. They are skilled; they know how to perform in the industrial workplace. They have the discipline and dedication to quality that America will need in the marketplace of the next century. We must not let this national treasure go to waste. And that's why our job retraining proposal will target dislocated workers. These are the workers who, in the past,

made America the world's leader in industry after industry. We must never forget that they're the key to our future, as well. Our package also includes training funds for young people who come from economically disadvantaged backgrounds. America will not be able to compete in the world of the next century if some of us are permanently barred from the team. We need every American lending a hand, and that includes those who today are caught in the poverty trap. We must find ways to recruit these people for America's team. They deserve the same opportunities all Americans deserve. And we all need them joining in, grabbing the lifeline with us, and helping to pull America into the future.

America's most competitive edge has always been our scientific and technological creativity. In many respects, we invented the modern world. The light bulb, the telephone, the airplane, the mass production automobile, the computer, the transistor, the semiconductor—the list of American inventions that we take for granted is endless. Today we are still a leader in innovation. In communications technology, for example, one expert has put it like this: "The Americans are light years ahead of everyone." But still we aren't doing enough. In too many industries we have developed the technology, only to see others bring it to the marketplace. Our legislative package will help make the journey from the American laboratory to the American factory, to the world market, a shorter journey and a more certain one.

Part of our focus will be on Federal laboratories, including defense laboratories. These are among the largest and most productive centers of scientific research in the world. But in the past there have been set up roadblocks between what was going on inside and the commercial world outside. That will change. We will encourage scientists working in Federal laboratories to patent, license, and commercialize their research. Federal agencies will establish royalty-sharing plans with their scientists. We will recruit science entrepreneurs to act as conduits between the laboratories and business, venture capitalists and universities. We will also encourage exchanges between Federal laboratories and private industry, so

each can benefit from the other. We will encourage our defense and space programs to continue to spin off technology to industry and to do it even faster than they have. And we will double the budget of the National Science Foundation over the next 5 years.

We're also proposing to establish a number of science and technology centers around the Nation. These will be on university campuses. They will focus on those areas of science that directly contribute to America's economic competitiveness. They'll be homes to long-term research in areas such as robotics for automated manufacturing and microelectronics, new material processes, and biotechnology. They will help to ensure that when it comes to technological leadership, America in the next century will continue to have the inside edge.

And finally, we cannot retain our technological leadership unless our children have the basic knowledge of science and technology that the 21st century will demand. And that's why we will begin a campaign for scientific literacy. It will include internships in Federal labs for promising students and aid to schools on all levels to buy scientific equipment and computers. We will also make available the expertise of top Federal scientists to help develop textbooks, software, and lab equipment for our schools and universities. America's natural resources are precious beyond measure, but let us never forget that a greater and more important resource than even these is in the minds of our young people. Our program will help ensure that these young minds are ready for the 21st century.

But all the science and all the education in the world will do us little good if the markets of the world are shrinking. We must continue to promote the expansion of world trade. History has taught us that we cannot become more competitive or enjoy major job growth by restricting imports across the board. In 1930 the United States imposed major new tariffs, against the advice of most economists. Three years later the unemployment rate stood at 25 percent. Free trade is one of the few things almost all economists agree on.